

# Redevelopment Agency of the City of San Diego

## **ATTACHMENT 3 REDEVELOPMENT AGENCY, ANNUAL FINANCIAL REPORT FOR YEAR ENDING JUNE 30, 2005**

Fiscal Year 2005



Redevelopment Agency of the City of San Diego  
State of California



**Annual Financial Report**  
Fiscal Year Ended June 30, 2005

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## INTRODUCTORY SECTION

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**Redevelopment**  
**Agency**

CITY OF SAN DIEGO



February 29, 2008

Honorable Members of the Agency:

The Annual Financial Report on all projects of the Redevelopment Agency of the City of San Diego for the year ended June 30, 2005 is presented in accordance with the Community Redevelopment Law (§33,000 et seq., of the Health and Safety Code of the State of California).

All expenditures and revenues for these projects have been reported for in accordance with generally accepted accounting principles in the United States applicable to municipalities, and all financial transactions occurring during the year were made in accordance with the redevelopment laws of the State of California.

Respectfully submitted,

William R. Anderson  
Assistant Executive Director

Mary Lewis  
Chief Financial Officer

Gregory E. Levin  
Comptroller

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**REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
ROSTER OF OFFICIALS  
AS OF YEAR ENDED JUNE 30, 2005**

**BOARD OF DIRECTORS**

Dick Murphy\*  
**Chairperson**

**Board Members:**

Scott Peters  
Michael Zucchet\*  
Toni Atkins  
Tony Young  
Brian Maienschein  
Donna Frye  
Jim Madaffer  
Ralph Inzunza\*

**OFFICIALS**

P. Lamont Ewell\*  
**Executive Director**

John Torell\*  
**Auditor and Comptroller**

Charles G. Abdelnour\*  
**Secretary**

Mary Vattimo\*  
**Treasurer**

Michael Aguirre  
**Agency Counsel**

\* Individual is no longer an employee of the City.

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## FINANCIAL SECTION

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**MACIAS GINI & O'CONNELL LLP**

CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

Board of Directors  
Redevelopment Agency of the  
City of San Diego  
San Diego, California

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## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California, as of and for the fiscal year ended June 30, 2005, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency, as of June 30, 2005, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the basic financial statements, the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3* as of June 30, 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2008, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis information on pages 16 through 26 and budgetary comparison information on pages 60 and 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining fund statements and schedules-nonmajor governmental funds, and the supplemental information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules-nonmajor governmental funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and supplemental information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Maxian Jini & O'Connell LLP*

Certified Public Accountants

Los Angeles, California

February 21, 2008

## Management's Discussion and Analysis

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**  
**(Dollar Amounts)**  
**June 30, 2005**

As management of the City of San Diego (the "City"), we offer readers of the Redevelopment Agency (the "Agency") financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2005.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing changes in the Agency's net assets during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on both gross and net cost of Agency functions, which are supported by general revenues. This Statement also displays functions of the Agency that are principally supported by taxes, private contributions, and intergovernmental revenues (governmental activities). The governmental activities of the Agency include General Government and Support and Neighborhood Services. The Agency does not engage in business-type activities.

The government-wide financial statements exclusively include the Agency (known as the Primary Government) with no legally separate, discretely presented component units. The government-wide financial statements can be found on pages 28-29 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Agency are combined into the governmental funds category.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Centre City Low and Moderate Income Housing Special Revenue Fund, Centre City Other Special Revenue Fund, Centre City Debt Service Fund, Centre City Capital Projects Fund, and the Horton Plaza Other Special Revenue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 30-34 of this report.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 36 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, combining fund statements and schedules for nonmajor governmental funds can be found beginning on page 66 of this report. In addition, a budget to actual comparison schedule of the Centre City Low and Moderate Income Housing Fund can be found on pages 62-64.

As part of supplementary information provided in this report, a schedule of changes to principal and interest due to the City for each Project Area can be found on page 104. In addition, assessed valuation information for each project area can be found beginning on page 106 of this report.

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*" can be found on page 92 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS****SUMMARY OF NET ASSETS**

	Governmental Activities		Dollar Increase (Decrease)	Percent Increase (Decrease)
	2005	2004*		
Current and Other Assets	\$ 454,324,876	\$ 321,609,552	\$ 132,715,324	41%
Capital Assets	125,971,655	109,442,484	16,529,171	15%
Total Assets	580,296,531	431,052,036	149,244,495	35%
Current and Other Liabilities	59,131,812	51,262,487	7,869,325	15%
Net Long-Term Debt	699,829,772	583,872,826	115,956,946	20%
Total Liabilities	758,961,584	635,135,313	123,826,271	19%
Net Assets				
Invested in Capital Assets, Net of Related Debt	60,278,136	59,785,306	492,830	1%
Restricted	53,698,506	36,865,245	16,833,261	46%
Unrestricted	(292,641,695)	(300,733,828)	8,092,133	-3%
Total Net Assets	\$ (178,665,053)	\$ (204,083,277)	\$ 25,418,224	-12%

\* Certain prior year amounts have been reclassified to conform to current year presentation.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities exceeded assets at June 30, 2005, by \$178,665,053.

Of the Total Net Assets, \$60,278,136, or approximately 33% represents the Agency's investment in capital assets, less any outstanding debt used to acquire these assets. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are generally not used to liquidate these liabilities.

The Agency's Restricted Net Assets of \$53,698,506, or approximately 30% represent resources that are subject to external restrictions on how they may be used. Restricted Net Assets increased by \$16,833,261 over the prior year, or about 46% primarily due to a net increase in resources available for Low and Moderate Income Housing.

There are three major factors contributing to the Agency's deficit of \$292,641,695 in Unrestricted Net Assets. First, the Agency has used long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss. Second, the Agency uses a majority of the borrowed funds for activities such as public improvements, public parking, community development activities, commercial and retail projects, housing, and rehabilitation of properties not owned by the Agency. Third, the Agency incurs interest expense associated with long term debt. The Agency has \$446,832,798 in bonds outstanding, \$239,454,484 in outstanding loans, notes and accrued interest due to the City, and \$14,825,557 of other debt, including loans from developers. The Agency borrows from the City mostly during the initial stages of a project area, then issues bonds or incurs other long-term debt to finance a substantial portion of its development activities. In addition to the public purpose of these activities, they are designed to generate additional tax increment revenues, a portion of which is used by the Agency to repay outstanding debt and finance additional projects.



**CHANGES IN NET ASSETS**

	Governmental Activities		Dollar	Percent
	2005	2004	Increase (Decrease)	Increase (Decrease)
Revenues:				
Program Revenues				
Operating Grants and Contributions	\$ 4,157,786	\$ 3,494,861	\$ 662,925	19%
Capital Grants and Contributions	12,769,737	3,975,152	8,794,585	221%
General Revenues				
Property Taxes	93,022,608	69,452,601	23,570,007	34%
Grants and Contributions Not Restricted to Specific Programs	3,396,516	1,701,162	1,695,354	100%
Revenue from Use of Money and Property	9,091,476	4,796,486	4,294,990	90%
Gain on Land Held for Resale	1,165,650	3,120,396	(1,954,746)	-63%
Miscellaneous	-	300,000	(300,000)	100%
Total Revenues	123,603,773	86,840,658	36,763,115	42%
Expenses:				
General Government and Support	33,725,607	25,665,710	8,059,897	31%
Neighborhood Services	31,717,361	28,466,184	3,251,177	11%
Interest on Long-Term Debt	32,742,581	27,030,212	5,712,369	21%
Total Expenses	98,185,549	81,162,106	17,023,443	21%
Change in Net Assets	25,418,224	5,678,552	19,739,672	348%
Net Assets, July 1	(204,083,277)	(209,761,829)	5,678,552	-3%
Net Assets, June 30	\$ (178,665,053)	\$ (204,083,277)	\$ 25,418,224	-12%

**Governmental Activities**

Governmental activities increased the Agency's net assets by \$25,418,224 hereby accounting for 100% of the total increase in net assets during fiscal year 2005. Key elements of this increase are as follows:

- Revenues from Capital Grants and Contributions increased by \$8,794,585, or about 221%, mostly due to a \$5,018,500 million deposit for the purchase of land in the College Community project area according to a Cash Depository Agreement with San Diego State University. In addition, the Agency received \$2,641,374 from the City in the current fiscal year for construction of the Park Boulevard at Harbor Drive Pedestrian Bridge.
- Property Tax revenues increased by \$23,570,007, or about 34%, due to increases in assessed property valuations in the various project areas. The table below presents a comparison of tax increment revenue received for each of the redevelopment project areas in the current and prior year:

**CHANGES IN TAX INCREMENT**

	Tax Increment		Dollar Increase (Decrease)	Percent Increase (Decrease)
	2005	2004		
Barrio Logan	\$ 298,916	\$ 126,554	\$ 172,362	136%
Central Imperial	1,603,809	1,164,225	439,584	38%
Centre City	57,637,139	44,585,199	13,051,940	29%
City Heights	8,935,772	5,993,544	2,942,228	49%
College Community	235,527	212,525	23,002	11%
College Grove	794,724	438,961	355,763	81%
Crossroads	1,216,759	-	1,216,759	
Gateway Center West	258,629	248,574	10,055	4%
Horton Plaza	7,210,818	5,677,046	1,533,772	27%
Linda Vista	85,962	87,065	(1,103)	-1%
Mount Hope	1,164,814	1,060,817	103,997	10%
Naval Training Center	2,714,046	1,464,041	1,250,005	85%
North Bay	3,885,849	3,215,442	670,407	21%
North Park	3,735,257	2,607,967	1,127,290	43%
San Ysidro	2,046,658	1,745,819	300,839	17%
Southcrest	1,197,929	824,822	373,107	45%
	<u>\$ 93,022,608</u>	<u>\$ 69,452,601</u>	<u>\$ 23,570,007</u>	34%

- Revenue from the Use of Money and Property increased by \$4,294,990 or about 90%. This is primarily due to an increase in interest earnings of \$5,566,142.
- General Government and Support Expense increased by \$8,059,897 or about 31%. This was attributed in part to an increase of \$2,747,660 in the required contribution to the State of California Educational Revenue Augmentation Fund. In addition, payments made under tax sharing agreements with other governmental entities increased by \$2,566,682. The remaining increase is attributed to increases in administrative costs in the various redevelopment project areas.
- Neighborhood Services Expense increased by \$3,251,177 or about 11%. This was mostly attributable to increased costs associated with the rehabilitation of the North Park Theatre. Also contributing to the increase were higher planning expenses in the North Park, Naval Training Center and Crossroads project area due to increased redevelopment activity during the current year.
- Interest on Long Term Debt Expense increased by \$5,712,369 or about 21%. This was mostly attributable to interest incurred on the Centre City 2004 Tax Allocation Bonds issued in the current fiscal year.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

All of the Agency's funds are governmental funds, the focus of which is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2005, the Agency's governmental funds reported combined ending fund balances of \$427,506,324, an increase of \$126,677,803 over the prior year. The increase is primarily attributed to an increase of \$117,715,391 in long term debt proceeds mostly due to the issuance of the 2004 Centre City Tax Allocation Bonds. Also contributing to the increase, was tax increment revenue growth of \$23,570,007, or about 34% due to increased property assessed valuations in the various project areas. Approximately 43%, or \$185,743,231 of the combined fund balances constitutes unreserved fund balance, which is available for spending at the Agency's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the period, (2) to pay debt service, or (3) for a variety of other restricted purposes.

*Centre City Low and Moderate Income Housing Special Revenue Fund.* The Centre City Low and Moderate Income Housing Special Revenue Fund is used to account for costs associated with increasing, improving, or preserving the community's supply of low and moderate income housing in the Centre City Project Area. The primary source of revenue for this fund is the 20% tax increment revenue allocation required by redevelopment law. The fund balance at June 30, 2005 amounted to \$78,817,727 which is an increase of \$41,163,816, or about 109% over the prior year. Most of the increase is attributed to receipt of proceeds from the Centre City Housing Bonds Series 2004C and 2004D as well as interest earnings associated with this issuance.

*Centre City Other Special Revenue Fund.* The Centre City Other Special Revenue Fund is used to account for revenues such as tax increment and parking revenue. The expenditures recorded in this fund are primarily for tax sharing agreements with other Governmental Agencies. This fund also accounts for the receipt of bond proceeds and transfers to the Centre City Capital Projects Fund and Centre City Debt Service Fund. The fund balance at June 30, 2005 amounted to \$76,424,660 which is an increase of \$16,017,450 or about 26%, over the prior year. Most of the increase is attributed to receipt of bond proceeds from the Centre City Tax Allocation Bonds Series 2004A and 2004B as well as interest earnings associated with this issuance.

*Horton Plaza Other Special Revenue Fund.* The Horton Plaza Other Special Revenue Fund is used to account for revenues such as tax increment. The expenditures recorded in this fund are primarily for tax sharing agreements with other Governmental Agencies. This fund also accounts for the receipt of bond proceeds and transfers to the Horton Plaza Capital Projects Fund and Horton Plaza Debt Service Fund. The fund balance at June 30, 2005 amounted to \$11,755,345 which is an increase of \$1,831,146, or about 18% over the prior year. This is primarily attributed to a transfer from the Horton Plaza Debt Service Fund as bond proceeds that had been previously allocated for debt service payments were not used and returned to its original funding source.

*Centre City Debt Service Fund.* The Centre City Debt Service Fund is used to record debt-related activity such as debt service payments, investment activity for bonds held with a fiscal agent, and bond issuance costs associated with the Centre City Redevelopment Project Area. At the end of the fiscal year, the Centre City Debt Service Fund had a total balance of \$44,027,888 all of which is reserved for debt service. The Fund balance showed an increase of \$15,861,544 from the prior year primarily a result of the establishment of reserve accounts related to the Centre City 2004 Tax Allocation Bonds issued in the current year.

*Centre City Capital Projects Fund.* The Centre City Capital Projects Fund is used to account for redevelopment expenditures related to various projects in the Centre City Redevelopment Project Area, with the use of such funding sources as tax increment, bond proceeds, and developer contributions. The fund balance at June 30, 2005 amounted to \$120,298,362 which is an increase of \$47,341,418 or about 64% over the prior year. This was primarily due to increased bond proceed transfers from the issuance of the Centre City 2004 Tax Allocation Bonds for redevelopment activities in the East Village District.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

Capital assets of governmental funds are capitalized at the government-wide level and not at the fund level. Differences between the fund and government-wide statements reporting for these governmental assets will be explained in both the reconciliation and the accompanying notes to the financial statements.

The Agency's investment in capital assets, net of accumulated depreciation, for governmental activities for the year ended June 30, 2005, amounts to \$125,971,655, representing an overall increase in the Agency's investment in capital assets of \$16,529,171, or about 15%, over the previous year. Of the total increase, \$5,757,656 is associated with construction in progress associated with the North Park Theatre Parking Structure and the Balboa Theatre in Horton Plaza. In addition, the construction of the 6<sup>th</sup> and K parking structure in the Centre City Project Area contributed to \$6,036,306 of total additions in the current fiscal year.

### REDEVELOPMENT AGENCY CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	2005	2004
Land	\$ 89,862,126	\$ 85,143,350
Construction in Progress	6,334,308	16,576,142
Structures and Improvements	29,582,907	7,498,552
Equipment	192,314	224,440
Total	<u>\$ 125,971,655</u>	<u>\$ 109,442,484</u>

Additional information about the Agency's capital assets can be found in the accompanying notes to the financial statements (see Note 4).

## HIGHLIGHTS OF FISCAL YEAR 2005 CAPITAL IMPROVEMENT ACTIVITIES

### Governmental Activities

#### Barrio Logan Redevelopment Project Area

- Approved the Housing Replacement Plan for the Gateway I Family Apartment project.
- Approved Disposition and Development Agreement for the Gateway I Family Apartments.
- Approved an Exclusive Negotiation Agreement with United Community Inc. for the La Entrada Family Apartments.

#### Central Imperial Redevelopment Project Area

- Completed the design of the City's Pilot Villages for the development of residential, industrial and retail projects.
- Rehabilitated a 42,000 sq. ft. light-industrial building.

Centre City Redevelopment Project Area

- Completed a 1230 space parking garage of which 1000 spaces are for public use and 230 for private use. The building includes 13,500 sq. ft. of retail space.
- Completed four residential projects consisting of 600 market-rate units and 23 affordable homes in the East Village neighborhood.
- Completed the Broadway Lofts Residential project in the Core District with 84 market-rate homes.
- Completed the Grande at Santa Fe South project in the Columbia Sub Area comprising of 222 homes.
- Completed the Gaslamp City Square South and the Trellis residential units in the Gaslamp Sub Area with a total of 269 market-rate units.
- Completed the Allegro Tower, La Vita and 350 W. Ash St. residential projects consisting of 580 market-rate units.
- Completed the 265-room Hotel Solymar in the East Village District.
- Completed the 2nd phase of the Staybridge Suites consisting of 68 rooms.
- Completed over \$1 million of Phase I of the Core Street Light Improvements project.
- Completed \$ 0.4 million of the Kettner Blvd. Street Light Improvements project.
- Completed \$1.1 million of demolition work for the Smart Corner project in the East Village District.
- Completed \$ 0.6 million of the Island Ave. pop-outs construction.

City Heights Redevelopment Project Area

- Approved an Exclusive Negotiation Agreement with Boulevard Marketplace for a proposed mixed-use development.
- Approved the First Implementation Agreement to provide additional funding for the Talmadge Senior Village Project.
- Approved additional funding for the Housing Rehabilitation Loan Program.
- Approved funding for the Euclid Avenue Gateway project.
- Initiated the Fourth Amendment to Redevelopment Plan.
- Approved a Disposition and Development Agreement for the City Heights Square Office/Retail project.
- Approved the Housing Replacement Plan, and Disposition and Development Agreement for the City Heights Square Senior Housing project.
- Approved Housing Replacement Plan, and Disposition and Development Agreement for Auburn Park Apartments.
- Completed construction and occupancy of the Metro Villas Affordable Housing project.
- Started construction of the Talmadge Senior Village project.

College Community Redevelopment Project Area

- Approved an Exclusive Negotiation Agreement with the San Diego State University Foundation for the proposed Religious Centers Project.
- Approved a Cooperation Agreement with the San Diego State University Foundation for The Paseo Mixed Use Project.
- Approved the Relocation and Replacement Housing Plans for The Paseo and Religious Centers projects.
- Approved agreements related to the purchase of the Sanctuary Suites & Retail property.

College Grove Redevelopment Project Area

- Provided low and moderate income housing set-aside funds to the Crossroads Redevelopment Project Area to implement the Housing Enhancement Loan Program (HELP). The College Grove Project Area has no residential property.

Crossroads Redevelopment Project Area

- Approved the contribution of funding to the El Cajon Blvd Median Improvement project in the amount of \$1.75 million.
- Approved Exclusive Negotiation Agreement for the proposed Centrepoint project.
- Continued to implement the Housing Enhancement Loan Program (HELP) utilizing low/moderate funding from the College Grove Project Area.

Gateway Redevelopment Project Area

- Completed negotiation of the Owner Participation Agreement between SEDC and SDG&E for an additional 30,000 sq. ft. of office space.
- Continued future development strategy for the project area to include acquisition and assembly of additional parcels that will accommodate industrial users.

Grantville Redevelopment Project Area

- Authorized funding in form of loans from City to continue plan adoption process.
- Adopted the Grantville Redevelopment Plan.

Linda Vista Redevelopment Project Area

- Approved Linda Vista Housing Rehabilitation Loan program.

Mount Hope Redevelopment Project Area

- Created more than 1,400 jobs in the Gateway Center East area, 27% of which are from the southeastern community.
- Planted trees throughout the community.
- Implement a residential rehabilitation program.
- Completed public improvements which provided sidewalks and street lights in the project area.

Naval Trainings Center (NTC) Redevelopment Project Area

- Approved partnership of Explorer Elementary Charter School and High Tech High Communities as the designated institution to receive title to Building 83.
- Approved First Amendment to the NTC Park Improvement Agreement.

North Bay Redevelopment Project Area

- Authorized consultant to prepare Midway Pacific Highway Corridor Community Plan amendment which is proposed to remove the "Bay to Bay" link from the Community Plan.
- Contributed additional funding to the Pacific Highway Consolidated Truck Crossing Bridge Demolition project.
- Contributed funding to the Washington Street Improvements – India Street Segment.
- Approved Owner Participation Agreement with Constellation Property Group Hancock LP for the development of affordable for-sale housing.
- Conveyed Pacific Highway frontage road to the Veteran's Village of San Diego for Phase I development that includes 112 transitional beds for homeless veterans.

North Park Redevelopment Project Area

- Contributed funding to the 30<sup>th</sup> Street Mid-Block Lighting Project.
- Initiated condemnation proceeding to acquire leasehold business interests as required for the Western Pacific La Boheme housing project.
- Initiated condemnation proceedings to acquire fee title and business interests as required to provide public parking for the North Park Theatre.
- Approved Third Implementation Agreement for the North Park Theatre project.
- Approved Exclusive Negotiation Agreement with AmProp North Park.
- Approved lease for community space within Renaissance at North Park project.

Southcrest Redevelopment Project Area

- Monitored the purchase and renovation of the Northgate Gonzales Market.
- Broke ground on 110 condominiums and monitored construction for completion in FY 2006.

San Ysidro Redevelopment Project Area

- Approved Amendment to Owner Participation Agreement for the Casitas de las Florecitas Project.
- Approved Fifth Implementation Agreement to the DDA for the Las Americas project to include housing development.
- Grand opening of second phase at Las Americas project containing 189,000 square feet of retail space.

**Long-Term Debt**

At June 30, 2005, the Agency long-term debt totaled \$701,112,839. Of this amount, \$31,055,000 is secured by specified revenue sources (revenue bonds) and \$415,777,798 is comprised of tax allocation bonds. The remainder of the Agency's debt represents contracts payable, notes payable, and loans payable.

**REDEVELOPMENT AGENCY  
OUTSTANDING DEBT**

	2005	2004
Revenue Bonds	\$ 31,055,000	\$ 31,880,000
Tax Allocation Bonds	415,777,798	314,333,071
Contracts Payable	1,714,867	1,714,867
Notes Payable	16,223,640	16,729,411
Loans Payable	120,204,794	120,451,556
Accrued Interest Payable	116,136,740	111,542,797
Total	<u>\$ 701,112,839</u>	<u>\$ 596,651,702</u>

In July 2004, the Agency issued \$147,725,000 of Tax Allocation Bonds to finance various redevelopment activities in the Centre City Project Area. The bonds were issued the following ratings:

<u>Rating Agency</u>	<u>Insured Rating</u>	<u>Underlying Rating</u>
S&P	AAA	A
Moody's	Aaa	A3
Fitch, Inc.	AAA	A+

Additional information about the Agency's long-term debt can be found in the accompanying notes to the financial statements (see Note 5). Detailed information on loans payable to the City of San Diego by project area can be found on page 104 of this report.

#### **REQUESTS FOR INFORMATION**

This financial report was designed to provide a general overview of the Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Auditor and Comptroller, 202 C Street, San Diego, CA 92101 or e-mailed to the City Auditor and Comptroller at [auditor@sandiego.gov](mailto:auditor@sandiego.gov). This financial report is also available on the City's website at [www.sandiego.gov](http://www.sandiego.gov), under the Auditor and Comptroller department.

\* \* \*



Basic Financial Statements  
Component Unit

**STATEMENT OF NET ASSETS**  
**June 30, 2005**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash or Equity in Pooled Cash and Investments .....	\$ 211,337,956
Cash and Investments with Fiscal Agent .....	61,035,549
Investments at Fair Value .....	84,273,914
Receivables:	
Taxes - Net .....	4,212,614
Accounts - Net .....	3,630
Notes .....	36,900,501
Accrued Interest .....	1,520,306
Working Capital Advances:	
Centre City Development Corporation .....	645,000
Southeastern Economic Development Corporation .....	158,977
Land Held for Resale .....	48,223,621
Deferred Charges .....	6,012,808
Capital Assets - Non-Depreciable .....	96,196,434
Capital Assets - Depreciable .....	29,775,221
<b>TOTAL ASSETS</b> .....	<b>580,296,531</b>
<b>LIABILITIES</b>	
Accounts Payable .....	10,803,086
Interest Accrued on Long-Term Debt .....	8,510,251
Sundry Trust Liabilities .....	4,541,252
Long-Term Debt Due Within One Year .....	11,852,223
Land Acquisition Credit .....	23,425,000
Long Term Liabilities Due After One Year:	
Contracts Payable .....	1,714,867
City Notes Payable .....	8,300,000
Developer Notes Payable .....	7,923,640
City Loans Payable .....	115,017,744
Developer Loans Payable .....	5,173,250
Net Bonds Payable .....	438,100,563
Accreted Interest Payable on Bonds .....	7,462,968
Accrued Interest Payable on City Notes .....	2,295,018
Accrued Interest Payable on City Loans .....	113,841,722
<b>TOTAL LIABILITIES</b> .....	<b>758,961,584</b>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt .....	60,278,136
Restricted for:	
Low and Moderate Income Housing .....	53,698,506
Unrestricted .....	(292,641,695)
<b>TOTAL NET ASSETS</b> .....	<b><u>\$(178,665,053)</u></b>

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2005**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expenses) and Changes in Net Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government and Support .....	\$ 33,725,607	\$ 2,675,890	\$ -	\$ (31,049,717)
Neighborhood Services .....	31,717,361	1,481,896	12,769,737	(17,465,728)
Interest on Long-Term Debt .....	32,742,581	-	-	(32,742,581)
<b>TOTAL GOVERNMENTAL ACTIVITIES .....</b>	<b>\$ 98,185,549</b>	<b>\$ 4,157,786</b>	<b>\$ 12,769,737</b>	<b>(81,258,026)</b>
<b>General Revenue:</b>				
Property Taxes .....				93,022,608
Grants and Contributions Not Restricted to Specific Programs .....				3,396,516
Revenue from Use of Money and Property .....				9,091,476
Gain/(Loss) on Sale of Land Held for Resale .....				1,165,650
<b>TOTAL GENERAL REVENUES .....</b>				<b>106,676,250</b>
<b>CHANGE IN NET ASSETS .....</b>				<b>25,418,224</b>
Net Assets at Beginning of Year .....				(204,083,277)
<b>NET ASSETS AT END OF YEAR .....</b>				<b>\$ (178,665,053)</b>

The accompanying notes are an integral part of the financial statements.

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2005**

		Special Revenue	
	Low/Mod Centre City	Other Centre City	Other Horton Plaza
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 49,545,857	\$ 70,819,765	\$ 9,440,033
Cash and Investments with Fiscal Agent.....	-	-	-
Investments at Fair Value.....	-	68,428,669	11,650,755
Receivables:			
Taxes.....	515,228	2,060,913	91,974
Accounts.....	-	-	-
Notes and Contracts.....	13,757,805	-	-
Interest.....	373,864	499,353	71,557
From Other Funds.....	-	-	-
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	-	-
Land Held for Resale.....	16,403,926	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 80,596,680</b>	<b>\$ 141,808,700</b>	<b>\$ 21,254,319</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 384,340	\$ 30,393	\$ -
Deferred Revenue.....	1,300,000	-	-
Due to Other Funds.....	-	65,353,647	9,498,974
Trust Liability.....	94,613	-	-
<b>TOTAL LIABILITIES.....</b>	<b>1,778,953</b>	<b>65,384,040</b>	<b>9,498,974</b>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	16,403,926	-	-
Reserved for Encumbrances.....	33,937,450	-	-
Reserved for Working Capital Advances.....	-	-	-
Reserved for Low and Moderate Income Housing .....	28,476,351	-	-
Reserved for Debt Service.....	-	-	8,851,897
Unreserved:			
Reported in Special Revenue Funds:			
Designated for Debt Services.....	-	63,388,498	-
Designated for Subsequent Years' Expenditures.....	-	-	1,576,720
Undesignated.....	-	13,036,162	1,326,728
Reported in Capital Project Funds:			
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>78,817,727</b>	<b>76,424,660</b>	<b>11,755,345</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 80,596,680</b>	<b>\$ 141,808,700</b>	<b>\$ 21,254,319</b>

The accompanying notes are an integral part of the financial statements.

Debt Service Centre City	Capital Projects Centre City	Other Governmental Funds	Total Governmental Funds
\$ 44,316	\$ 44,745,611	\$ 36,742,374	\$ 211,337,956
42,217,390	-	18,818,159	61,035,549
-	-	4,194,490	84,273,914
-	30,393	1,514,106	4,212,614
-	-	3,630	3,630
-	2,073,664	21,069,032	36,900,501
4,006	298,585	272,941	1,520,306
1,762,176	63,591,471	16,156,646	81,510,293
-	370,000	275,000	645,000
-	-	158,977	158,977
-	19,605,568	12,214,127	48,223,621
<u>\$ 44,027,888</u>	<u>\$ 130,715,292</u>	<u>\$ 111,419,482</u>	<u>\$ 529,822,361</u>
\$ -	\$ 4,118,605	\$ 6,269,748	\$ 10,803,086
-	2,004,762	2,156,644	5,461,406
-	-	6,657,672	81,510,293
-	4,293,563	153,076	4,541,252
-	10,416,930	15,237,140	102,316,037
-	19,605,568	12,214,127	48,223,621
-	21,159,748	17,459,621	72,556,819
-	370,000	433,977	803,977
-	-	23,950,983	52,427,334
44,027,888	-	14,871,557	67,751,342
-	-	12,571,758	75,960,256
-	-	313,902	1,890,622
-	-	6,048,626	20,411,516
-	69,530,458	11,731,292	81,261,750
-	9,632,588	(3,413,501)	6,219,087
<u>44,027,888</u>	<u>120,298,362</u>	<u>96,182,342</u>	<u>427,506,324</u>
<u>\$ 44,027,888</u>	<u>\$ 130,715,292</u>	<u>\$ 111,419,482</u>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. 125,971,655

Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported or are deferred in the funds. 11,474,214

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. (743,617,246)

Net Assets of Governmental Activities \$ (178,665,053)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2005**

	Special Revenue		
	Low/Mod Centre City	Other Centre City	Other Horton Plaza
<b>REVENUES</b>			
Tax Increments.....	\$ 11,527,427	\$ 13,802,519	\$ 448,692
Interest.....	1,058,450	3,273,369	587,237
Rents.....	192,664	-	-
Private Sources.....	-	-	-
City Participation.....	496,000	1,385,400	-
Other Revenue.....	48,902	-	-
<b>TOTAL REVENUES.....</b>	<b>13,323,443</b>	<b>18,461,288</b>	<b>1,035,929</b>
<b>EXPENDITURES</b>			
Administration.....	676,622	410,057	47,599
Legal.....	123,630	-	-
Plans and Surveys.....	79,865	-	-
Acquisition Expense.....	-	-	-
Real Estate/Fixture Purchases.....	-	-	-
Property Management.....	18,436	-	-
Relocation.....	-	-	-
Rehabilitation.....	24,000	-	-
Site Clearance.....	-	-	-
Project Improvements.....	1,099,566	-	-
Promotions and Marketing.....	-	-	-
Bond Sale Expense.....	626,215	1,904,081	-
Program Management.....	2,102	-	-
Rehabilitation Loans.....	-	-	-
Housing and Other Subsidies.....	-	-	-
Tax Sharing Payments.....	-	2,612,312	-
ERAF Payments.....	-	3,320,659	-
City Capital Outlay.....	180,072	-	-
Other.....	-	-	-
Debt Service:			
Principal.....	-	-	-
Interest.....	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>2,830,508</b>	<b>8,247,109</b>	<b>47,599</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>10,492,935</b>	<b>10,214,179</b>	<b>988,330</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Bonds, Developer Loans and Notes.....	36,690,000	111,035,000	-
Loans from the City of San Diego.....	-	-	-
Transfers from Other Funds.....	26,395	14,844,907	5,000,000
Transfers from Bond Proceeds.....	-	-	-
Discount on Bonds Issued.....	(11,449)	-	-
Premium on Bonds Issued.....	-	4,341,263	-
Transfers to Other Funds.....	(6,034,065)	(124,417,899)	(4,157,184)
Payments to Escrow Agent.....	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>30,670,881</b>	<b>5,803,271</b>	<b>842,816</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>41,163,816</b>	<b>16,017,450</b>	<b>1,831,146</b>
Fund Balances at July 1, 2004.....	37,653,911	60,407,210	9,924,199
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ 78,817,727</b>	<b>\$ 76,424,660</b>	<b>\$ 11,755,345</b>

The accompanying notes are an integral part of the financial statements.

Debt Service Centre City	Capital Projects Centre City	Other Governmental Funds	Total Governmental Funds
\$ 22,790,630	\$ 9,516,563	\$ 34,936,777	\$ 93,022,608
568,009	1,005,652	1,473,290	7,966,007
-	859,179	73,626	1,125,469
-	4,944,123	9,281,427	14,225,550
1,704,458	2,690,176	-	6,276,034
-	3,211,272	2,210,386	5,470,560
25,063,097	22,226,965	47,975,506	128,086,228
-	6,057,677	8,230,737	15,422,692
-	823,518	805,541	1,752,689
-	1,604,532	3,058,027	4,742,424
-	38,202	129,366	167,568
-	4,245,000	191,250	4,436,250
-	418,231	230,328	666,995
-	24,321	30,452	54,773
-	220,000	4,275,600	4,519,600
-	1,377,650	716,550	2,094,200
-	19,300,749	8,583,310	28,983,625
-	77,668	400	78,068
1,541,383	21,714	11,539	4,104,932
-	2,942,909	1,421,329	4,366,340
-	-	452,000	452,000
-	-	680,000	680,000
-	-	5,112,996	7,725,308
-	-	2,074,020	5,394,679
-	1,404,912	1,031,193	2,616,177
-	154,281	-	154,281
10,913,050	3,000,000	6,657,450	20,570,500
13,442,769	140,548	9,366,254	22,949,571
25,897,202	41,851,912	53,058,342	131,932,672
(834,105)	(19,624,947)	(5,082,836)	(3,846,444)
-	-	7,170,391	154,895,391
-	92,773	3,217,690	3,310,463
10,825,465	-	17,671,569	48,368,336
39,983,981	82,642,518	16,940,276	139,566,775
-	-	-	(11,449)
-	-	-	4,341,263
(2,102,376)	(15,768,926)	(35,454,661)	(187,935,111)
(32,011,421)	-	-	(32,011,421)
16,695,649	66,966,365	9,545,265	130,524,247
15,861,544	47,341,418	4,462,429	126,677,803
28,166,344	72,956,944	91,719,913	300,828,521
\$ 44,027,888	\$ 120,298,362	\$ 96,182,342	\$ 427,506,324

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2005**

Net change in fund balances - total governmental funds (page 33)	\$ 126,677,803
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	16,529,171
The issuance of notes by the Agency for the sale of property held for resale consumes current financial resources of governmental funds, while the repayment of these notes provide current financial resources to governmental funds. However, in the Statement of Activities the revenue is recognized at the time the property is sold regardless of the timing of the repayment of these notes. This amount is the net effect of these differences in the treatment of Notes Receivable.	(1,344,312)
The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(108,207,858)
Some expenses reported in the Statement of Activities do not require the use of current financial resources (i.e. interest on long-term debt, amortization of bond premiums and discounts), and therefore are not accrued as expenses in governmental funds.	<u>(8,236,580)</u>
Change in net assets of governmental activities (page 29)	<u>\$ 25,418,224</u>

The accompanying notes are an integral part of the financial statements.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Redevelopment Agency of the City of San Diego ("Agency") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applicable to government units. The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements. The significant accounting principles and policies utilized by the Agency are described below.

**a. Scope of Financial Reporting Entity**

The Agency was established by the City of San Diego Council in 1958 for the purpose of providing a method to revitalize deteriorated and blighted areas within designated areas of the City of San Diego ("City"). The Agency began functioning in 1969 pursuant to the Community Redevelopment Law of California as codified in the State of California Health and Safety Code.

Under GASB Statement No. 14, the Agency is considered a component unit of the City. The Agency's basic financial statements, which are presented as a blended component unit in the basic financial statements of the City, present an aggregation of funds associated with 17 redevelopment project areas. The redevelopment project areas are overseen by the Agency's three administrative units: Centre City Development Corporation ("CCDC"), Southeastern Economic Development Corporation, Inc. ("SEDC") and the Redevelopment Division of the City's City Planning and Community Investment Department.

CCDC and SEDC are non-profit corporations organized by the City to administer certain redevelopment projects (CCDC in downtown San Diego and SEDC in Southeast San Diego) as well as to provide redevelopment advisory services to the Agency. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC/SEDC for all eligible costs (as defined) incurred in connection with such activities.

The City Council, acting in accordance with the City Charter, the City's Municipal Code and applicable state laws, appoints the members of the Board of Directors of CCDC and SEDC and acts as the Agency's Board of Directors.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

All funds presented in the fund financial statements are governmental funds. Major governmental funds are reported as separate columns in the fund financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency reports the following major funds:

Centre City Low and Moderate Income Housing Fund – The Centre City Low and Moderate Income Housing Fund is a Special Revenue Fund used to account for 20 percent of the tax increment revenue generated from the Centre City Redevelopment Project Area and the costs associated with the Agency's effort to increase and improve the community's supply of affordable housing for persons and families of low and moderate income in this area.

Centre City Other Special Revenue Fund – The Centre City Other Special Revenue Fund is used to account for specific revenue sources related to the Centre City Redevelopment Project Area such as tax increment revenue and bond proceeds. This fund also accounts for transfers to the Centre City Capital Projects Fund, the Centre City Debt Service Fund and payments to Other Taxing Entities.

Horton Plaza Other Special Revenue Fund – The Horton Plaza Other Special Revenue Fund is used to account for specific revenue sources related to the Horton Plaza Redevelopment Project Area such as tax increment revenue and bond proceeds. This fund also accounts for transfers to the Horton Plaza Capital Projects Fund, the Horton Plaza Debt Service Fund and payments to Other Taxing Entities.

Centre City Debt Service Fund – The Centre City Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the Centre City Redevelopment Project Area.

Centre City Capital Projects Fund – The Centre City Capital Projects Fund is used to account for costs associated with the acquisition of land held for resale, construction of major capital facilities, development and improvement of infrastructure and other public improvements in the Centre City Redevelopment Project Area.

Additionally, the Agency reports the following other governmental fund types:

Special Revenue Funds – Special revenue funds are used to account for proceeds of specific revenue sources (other than those for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, governmental activities long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

All non-major governmental funds are accounted for and reported similarly to major governmental funds.

### c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

**Government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred except for principal and interest of general long-term debt which are recognized when due.

Revenues which are considered susceptible to accrual include real property taxes, rents, and interest provided they are received within 60 days from the end of the fiscal year. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Amounts reported as program revenues include (1) operating grants and contributions and (2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

### d. Tax Increment Revenue

Tax Increment Revenues represent taxes collected in the Agency's redevelopment project areas from the excess of taxes levied and collected over that amount which was levied and collected in the base year (the inception year of redevelopment project areas) property tax assessment along with a provision for inflation.

The County of San Diego (the "County") assesses, bills, and collects property taxes on behalf of numerous special districts and incorporated cities, including the Redevelopment Agency of the City of San Diego. The Agency's collections of current year's taxes are received through periodic apportionments from the County.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Since the passage of California's Proposition 13, beginning with fiscal year ended 1979 general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76 valuation. Taxable values of properties (exclusive of increases related to sales and new construction) can rise a maximum of 2% per year. The Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13).

At the government-wide level, Tax Increment Revenue is recognized in the fiscal year for which the taxes have been levied. For the governmental funds, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days of year end. Tax Increment Revenues received after this date are not considered available as a resource that can be used to finance the current year operations of the Agency and, therefore, are recorded as deferred revenue in the governmental funds.

### e. Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A budget is not adopted for special revenue funds, other than the low and moderate income housing funds, since these funds are mostly used to collect tax increment revenue and bond proceeds. For this reason, a budget to actual comparison is not required for the Centre City Other Special Revenue or the Horton Plaza Other Special Revenue major funds. A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented on page 62 of this report.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted generally during the months of May or June, through passage of an ordinance by the City Council and resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors' approval except as delegated in the Annual Appropriation Ordinance.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

### f. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted governmental funds.

Encumbrances outstanding at year-end are reported as reservation of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

### g. Equity in Pooled Cash and Investments

The Agency's Pooled Cash and Investments are part of the City's Pooled Cash and Investments. The City's cash resources are combined to form a cash and investment pool managed by the City Treasurer (the Pool). The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it a 2a7-like pool. The investment activities of the Treasurer in managing the Pool are governed by California Government Code § 53601 and the City's Investment Policy which is reviewed by the Investment Advisory Committee and approved annually by the City Council. Interest earned on pooled investments is allocated to participating funds and entities based upon their average daily cash balance during the allocation month. Fair market value adjustments to the Pool are recorded annually; City Treasurer reports fair market values on a monthly basis. The value of the shares in the Pool is equal to the fair market value of the Pool.

The Pool participates in the State Treasurer's Local Agency Investment Fund (LAIF). Investments in LAIF are governed by State statutes and overseen by a five member Local Investment Advisory Board. The fair value of the City's position in LAIF may be greater or less than the value of the shares. Investments in LAIF are valued in these financial statements using a fair value factor provided by LAIF applied to the value of the City's shares in the investment pool.

Additionally, the Agency maintains individual accounts pursuant to bond issuances. The investment of these funds is governed by the policies set forth in individual indenture and trustee agreements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All City investments are reported at fair value in accordance with the GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. Deposit and investment risks are disclosed in Note 3 of the notes to the financial statements in accordance with GASB 40, *Deposit and Investment Risk Disclosures*. GASB 40 was implemented to communicate deposit and investment risks to financial statement users. Common risk disclosures include interest rate risk, credit risk, concentration of credit risk, and foreign currency risk. The provisions of GASB 40 are effective for financial statement periods beginning after June 15, 2004. Note 3 also contains additional information on permissible investments per the City's Investment Policy and other policies applicable to the cash and investments reported herein.

**h. Land Held for Resale**

Land Held for Resale, purchased by the Agency, is reported in the government-wide and fund financial statements at the lower of cost or net realizable value. In the governmental fund financial statements, fund balances are reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance the Agency's current operations.

Land is originally recorded at historical cost and adjusted to net realizable value when the Agency enters into disposition and development agreements whereby the property will be sold for less than its historical cost, when a property is impaired or when property values decrease due to market conditions.

**i. Capital Assets**

Non-depreciable Capital assets, which include land and construction in progress, are reported in the government-wide financial statements. Depreciable Capital assets, which include structures, improvements and equipment, are reported in the government-wide financial statements net of accumulated depreciation. To meet the criteria for capitalization, the asset must have a useful life in excess of one year and in the case of equipment outlay, must equal or exceed a capitalization threshold of \$5,000. All other capital assets such as land and structures are capitalized regardless of cost. Subsequent improvements are capitalized to the extent that they extend the initial estimated useful life of the capitalized asset or improve the efficiency or capacity of that asset. Costs for routine maintenance are expensed as incurred. Costs related to development of City infrastructure are not capitalized because these assets are maintained by the City and not the Agency.

Capital assets, when purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value on the date of donation. Depreciation of capital assets is computed using the straight-line method over the estimated useful life of the asset as follows:

Assets	Years
Structures and Improvements	20-50
Equipment	3-25

**j. Deferred Revenue**

In the fund financial statements, deferred revenue represents revenues which have not met the recognition criteria based on the modified accrual basis of accounting.

**k. Deferred Charges**

In the government-wide financial statements, Deferred Charges represent the unamortized portion of bond issuance costs. These costs will be amortized over the life of the related bonds using a method which approximates the effective yield method.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****l. Interfund Transactions**

Interfund transactions between the Agency's Governmental Funds are mostly transfers of assets (such as cash or goods) without equivalent flows of assets in return.

Tax increment revenue and proceeds from the issuance of long term debt are originally deposited in Special Revenue funds. As expenditures are incurred in the Capital Projects Funds, cash is transferred from the Special Revenue Funds to cover the expenditures. In addition, tax increment revenue is transferred to the Debt Service Funds for payment of long term debt obligations.

**m. Non-Monetary Transactions**

Under certain agreements with the Agency, developers advance funds to the Agency for the purpose of acquiring land, sometimes under eminent domain. These advances, called land acquisition credits, are earned at the time they are used by developers against the sales price of property within the project area. Historically, these credits have been used for infrastructure projects, such as the Ballpark.

**n. Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, bond issuance costs and bond refunding gains and losses are amortized over the life of the bonds, using a method that approximates the effective yield method. Net bonds payable reflect unamortized bond discounts, premiums and refunding gains and losses.

**o. Sundry Trust Liabilities**

Under approval of certain agreements, developers submit to the Agency an initial deposit to ensure the Developer proceeds diligently and in good faith to negotiate and perform all of the obligations under the agreement. These deposits can normally be used for administrative costs of the Agency. In the government-wide financial statements and in the fund financial statements, the unspent portion of these deposits, called Sundry Trust Liabilities, are reported as liabilities of the Agency.

**p. Claims and Judgments**

The costs of claims and judgments are accrued when incurred and measurable in the government-wide financial statements. In governmental funds, the costs of claims and judgments are recorded as expenditures when payments are made.

**q. Net Assets and Fund Equity**

In the government-wide financial statements, net assets are categorized as follows:

- Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets.
- Restricted Net Assets consist of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and then unrestricted resources, as they are needed.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Unrestricted Net Assets consist of net assets that do not meet the definition of Invested in Capital Assets, Net of Related Debt or Restricted Net Assets.

In the fund financial statements, portions of fund equity of governmental funds have been reserved for specific purposes. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Designated fund balance represents that portion of fund equity for which the Agency has made tentative plans.

Undesignated fund balance represents that portion of fund equity which is available for appropriation in future periods.

r. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities, disclosure of contingent assets and liabilities, and the related reported amounts of revenues and expenses. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

s. Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Certain adjustments are necessary to reconcile governmental funds to governmental activities. The details of these adjustments are as follows.

- a. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets:

An element of the reconciliation states, "Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported or are deferred in the funds." The details of this \$11,474,214 difference are as follows:

Deferred Charges, net July 1, 2004	\$ 3,701,452
Issuance Costs	2,615,815
Amortization Expense	(304,459)
Deferred Charges, net June 30, 2005	<u>6,012,808</u>
Deferred Revenues	
Related to Notes Receivable	<u>5,461,406</u>
Net adjustment to increase Total Fund Balances – Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u><u>\$ 11,474,214</u></u>



**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

The Governmental Funds Balance Sheet includes a reconciliation between Total Fund Equity - Governmental Funds and Total Net Assets - Governmental Activities as reported in the Government-wide Statement of Net Assets. An element of the reconciliation states that "Some liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$ (743,617,246) difference are as follows:

Bonds Payable	\$ (446,832,798)
Net Premiums and Discounts on Bond Issuances	(4,595,596)
Unamortized Loss on Refunding	1,489,408
Contracts Payable	(1,714,867)
Notes Payable	(16,223,640)
Loans Payable	(120,204,794)
Accreted Interest Payable on Bonds	(7,462,968)
Accrued Interest Payable on Long Term Debt	(8,510,251)
Accrued Interest Payable on City Loans and Notes	(116,136,740)
Land Acquisition Credits	<u>(23,425,000)</u>
Net adjustment to decrease Total Fund Balances - Governmental Funds to arrive at Total Net Assets of Governmental Activities	<u>\$ (743,617,246)</u>

- b. Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities:

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between Net Change in Fund Balances - Total Governmental Funds and Changes in Net Assets of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$16,529,171 difference are as follows:

Capital outlay	\$ 16,783,472
Depreciation expense	<u>(254,301)</u>
Net adjustment to increase Net Changes in Fund Balances - Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	<u>\$ 16,529,171</u>

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$(108,207,858) difference are as follows:

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Debt Issued or Incurred:	
Issuance of Tax Allocation Bonds	\$ (147,725,000)
Less Premiums and Discounts	(4,329,814)
Add Loss on Refunding	1,236,303
Bond Issuance Costs	2,615,815
Accretion on Capital Appreciation Bonds	(1,706,229)
Loans Incurred	(8,380,854)
Notes Incurred	(2,100,000)
Acquisition Credits Issued	(400,000)
Principal Repayments:	
Revenue Bonds	825,000
Tax Allocation Bonds	8,512,113
Loans Payable	11,059,316
Notes Payable	174,071
Refundings:	
Tax Allocation Bonds	32,011,421
Recharacterized Debt:	
City Loans Payable	2,431,700
City Notes Payable	(2,431,700)
Net adjustment to decrease Net Changes in Fund Balances – Total	
Governmental Funds to arrive at Changes in Net Assets of	
Governmental Activities	<u><u>\$ (108,207,858)</u></u>

Another element of the reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not accrued as expenses in governmental funds." The details of this \$(8,236,580) difference are as follows:

Change in Accrued Interest on Long-Term Debt	\$ (3,492,838)
Change in Accrued Interest on City Loans	(4,593,943)
Change in Arbitrage Liability	249,199
Amortization of Bond Issuance Costs	(304,459)
Amortization of Bond Premiums, Discounts and Deferred Charges on	
Refunding	<u>(94,539)</u>
Net adjustment to decrease Net Changes in Fund Balances – Total	
Governmental Funds to arrive at Changes in Net Assets of	
Governmental Activities	<u><u>\$ (8,236,580)</u></u>

**3. CASH AND INVESTMENTS**

The following is a summary of the carrying amount of the Agency's cash and investments:

	Governmental Activities
Cash or Equity in Pooled Cash & Investments	\$ 211,337,956
Cash & Investments with Fiscal Agent	61,035,549
Investments at Fair Value	<u>84,273,914</u>
Total	<u><u>\$ 356,647,419</u></u>

### 3. CASH AND INVESTMENTS (Continued)

#### a. Cash or Equity in Pooled Cash and Investments

The Agency participates in the City's pooled Cash and Investments. Cash or Equity in Pooled Cash & Investments represents petty cash, cash at the bank in demand deposit and/or savings accounts, and cash in escrow for contract retention payables. Furthermore, it represents equity in pooled cash and investments. The Agency does not own identifiable investment securities of the Pool; rather, it participates as a shareholder of the Pool. It does however, own identifiable investments which are not part of the Pool and are managed by the City Treasurer. The Agency's share of the City's pooled cash and investments are included in the accompanying Statement of Net Assets under the caption "Cash or Equity in Pooled Cash and Investments."

#### b. Cash and Investments with Fiscal Agent

Cash and Investments with Fiscal Agents represents cash and investments held by fiscal agents resulting from bond issuances. More specifically, these funds represent reserves held by fiscal agents or trustees as legally required by bond issuances and liquid investments held by fiscal agents or trustees which are used to pay debt service.

#### c. Investments at Fair Value

Investments at Fair Value represent investments managed by the City Treasurer (which are not part of the Pool).

#### d. Investment Policy

##### **City of San Diego Investment Policy**

In accordance with the Charter of the City of San Diego and under authority annually approved by the City Council, the City Treasurer is responsible for the safekeeping and investment of the unexpended cash in the City Treasury according to the City's Investment Policy (the "Policy"). This Policy applies to all of the investment activities of the City except for the pension trust funds, the proceeds of certain debt issues which are managed and invested at the direction of the City Treasurer or by Trustees appointed under indenture agreements or by fiscal agents. In addition, the policy does not apply to assets administered by the Funds Commission, which was created under the Charter to control and supervise all trust, perpetuity and investment funds placed in its custody by Council ordinance.

The Policy is reviewed annually by the Investment Advisory Committee (IAC) which makes recommendations regarding the Policy to the City Council. The IAC consists of two City representatives and three outside financial professionals with market and portfolio expertise not working for the City of San Diego. The City Council reviews the Policy and considers approval on an annual basis.

In reviewing the Policy, the IAC evaluates the horizon returns, risk parameters, security selection, and market assumptions the City's investment staff is using when explaining the City's investment returns. The IAC also meets semi-annually to review the previous two quarters' investment returns and make recommendations to the City Treasurer on proposals presented to the IAC by the Treasurer's staff.

### 3. CASH AND INVESTMENTS (Continued)

The policy is governed by the California Government Code (CGC), Sections 53600 et seq. The CGC authorizes the City to invest pooled funds in the following investments:

Investment Type	Maximum Maturity (1)	Maximum Percentage of Portfolio	Maximum Percentage with One Issuer	Minimum Rating
US Treasury Obligations (bills, bonds, or notes)	5 years	None	None	None
US Agencies	5 years	None	None	None
Bankers' Acceptances	180 days	40%	30%	None
Commercial Paper	270 days	25%	None	P1
Negotiable Certificates	5 years	30%	None	None
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None	None
Local Agency Investment Fund	N/A	None	None	None
Non-Negotiable Time Deposits	5 years	None	None	None
Medium Term Notes/Bonds	5 years	30%	None	A
Mutual Funds	N/A	20%	10%	None
Notes, Bonds, or Other Obligations	5 years	None	None	None
Mortgage Pass-Through Securities	5 years	20%	None	AA
Financial Futures	N/A	None	None	None

Footnotes:

(1) In the absence of a specified maximum, the maximum is 5 years.

Within the context of CGC limitations, the following investments are authorized and further limited by the City Policy:

Investment Type	Maximum Maturity (1)	Maximum Percentage of Portfolio	Maximum Percentage with One Issuer	Minimum Rating
US Treasury Obligations (bills, bonds, or notes)	5 years	None	None	None
US Agencies	5 years	(2)	(2)	None
Bankers' Acceptances	180 days	40%	10%	(3)
Commercial Paper	270 days	25%	10%	P1
Negotiable Certificates	5 years	30%	10%	(3)
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None	None
Local Agency Investment Fund	N/A	None	None	None
Non-Negotiable Time Deposits	5 years	25%	10%	None
Medium Term Notes/Bonds	5 years	30%	10%	A
Mutual Funds	N/A	5%	None	None
Notes, Bonds, or Other Obligations	5 years	None	None	AA
Mortgage Pass-Through Securities	5 years	None	None	AAA
Financial Futures (4)	None	None	None	None

Footnotes:

(1) In the absence of a specified maximum, the maximum is 5 years. City Council must approve any investments with maturities greater than 5 years before purchase.

(2) The Prudent Investor Rule applies.

(3) Credit and maturity criteria must be in accordance with California Government Code 53601 per Section X of the Policy.

(4) Financial futures transactions would be purchased only to hedge against changes in market conditions for the reinvestment of bond proceeds.

According to the Policy, the City may enter into repurchase and reverse repurchase agreements only with primary dealers of the Federal Reserve Bank of New York with which the City has entered into a master repurchase agreement. Exceptions to this rule can be made only upon written authorization of the City Treasurer.

**3. CASH AND INVESTMENTS (Continued)**

The types of investments listed below are additionally restricted as to percentage of the cost value of the portfolio in any one issuer name up to a maximum of 5%. The total cost value invested in any one issuer name will not exceed 5% of an issuer's net worth. An additional 5% or a total of 10%, of the cost value of the portfolio in any one issuer name can be authorized upon written approval of the City Treasurer.

- Bankers Acceptances
- Commercial Paper
- Medium Term Corporate Notes/Bonds
- Negotiable and Non-negotiable Certificates of Deposit

Ineligible investments include, but are not limited to, common stocks and long-term corporate notes/bonds, are prohibited from use in the portfolio. A copy of the Policy can be requested from the City Treasurer, 1200 3rd Avenue, Suite 1624, San Diego, California, 92101.

**Other Investment Policies**

The City and its component units, including the Agency, have funds invested in accordance with various bond indenture and trustee agreements.

**e. Interest Rate Risk**

Interest rate risk is the risk that increases in interest rates will adversely affect the fair value of an investment. No general policies have been established to manage interest rate risk; however, monies held by the trustee on behalf of the Agency may generally only be invested in permitted investments specified in trustee or indenture agreements. Information about the sensitivity of the fair value of the Agency's investments to market interest rate fluctuations is provided by the following table.

As of June 30, 2005, the Agency's investments by maturity are as follows:

	Years				Fair Value
	Under 1	1-3	3-5	Over 5	
<u>Cash or Equity in</u>					
City Pooled Cash & Investments	\$ 211,337,956	\$ -	\$ -	\$ -	\$ 211,337,956
<u>Non-Pooled Investments with</u>					
City Treasurer:					
US Treasury Notes & Bonds	6,548,786	-	-	-	6,548,786
Commercial Paper	4,358,019	-	-	-	4,358,019
US Agency Discount Notes	73,367,109	-	-	-	73,367,109
Subtotal - Non-Pooled Investments	84,273,914	-	-	-	84,273,914
<u>Investments with Fiscal Agent:</u>					
U.S. Treasury Bills	17,118,207	-	-	-	17,118,207
U.S. Treasury Notes & Bonds	19,769,433	-	-	-	19,769,433
U.S. Agency Notes & Bonds	4,806,147	-	1,471,545	-	6,277,692
Money Market Funds	17,870,127	-	-	-	17,870,127
Subtotal - Investments with Fiscal Agent	59,563,914	-	1,471,545	-	61,035,459
Total Investments	\$ 355,175,784	\$ -	\$ 1,471,545	\$ -	356,647,329
Cash with Fiscal Agent					90
Total Cash and Investments					\$ 356,647,419

**3. CASH AND INVESTMENTS (Continued)****f. Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2005, the Agency's investments and corresponding credit ratings are as follows:

	Moody's Rating	Fair Value	Percentage
<u>Cash or Equity in</u>			
<u>City Pooled Cash &amp; Investments</u>	Not Rated	\$ 211,337,956	100.00%
<u>Non-Pooled Investments with</u>			
<u>City Treasurer:</u>			
US Treasury Notes & Bonds	Aaa	6,548,786	7.77%
Commercial Paper	P1	4,358,019	5.17%
US Agencies - Federal Home Loan Bank (2)	Aaa	10,658,263	12.65%
US Agencies - Federal Home Loan Mortgage Corporation (2)	Aaa	58,626,516	69.57%
US Agencies - Federal National Mortgage Association (2)	Aaa	4,082,331	4.84%
Subtotal - Non-Pooled Investments		<u>84,273,915</u>	<u>100.00%</u>
<u>Investments with Fiscal Agent</u>			
<u>and Other Investments:</u>			
US Treasury Bills	Aaa	17,118,207	28.05%
US Treasury Notes & Bonds	Aaa	19,769,433	32.39%
US Agencies - Federal Home Loan Bank (2)	Aaa	1,471,545	2.41%
US Agencies - Federal Home Loan Bank (2)	WR(1)	3,344,134	5.48%
US Agencies - Federal National Mortgage Association (2)	Not Rated	1,462,012	2.40%
Money Market Funds	Aaa	17,870,127	29.28%
Subtotal - Other Investments		<u>61,035,458</u>	<u>100.00%</u>
Total Investments		<u>356,647,329</u>	
Cash with Fiscal Agent		<u>90</u>	
Total Cash and Investments		<u>\$ 356,647,419</u>	

(1) When Moody's no longer rates an obligation on which it previously maintained a rating, the symbol WR is employed.

(2) More than 5% of the Agency's investments are with U.S. agencies whose debt is not guaranteed by the U.S. government.

**g. Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the relative size of an investment in a single issuer. As of June 30, 2005, more than 5% of the Agency's investments are with U.S. agencies whose debt is not guaranteed by the U.S. Investments issued explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded.

**h. Custodial Credit Risk****Deposits**

At June 30, 2005, the bank balance of the Agency's deposits, which equals the carrying amount, was \$90, all of which was cash held with fiscal agents and was covered by federal depository insurance. Pursuant to the California Government Code, California banks and savings and loan associations are required to secure the Agency's deposits not covered by Federal Depository Insurance by pledging government securities as collateral. None of the deposits with fiscal agents were uninsured and uncollateralized.

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2005, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 85,143,350	\$ 4,718,776	\$ -	\$ 89,862,126
Construction in Progress	16,576,142	5,757,656	(15,999,490)	6,334,308
Total Non-Depreciable Capital Assets	101,719,492	10,476,432	(15,999,490)	96,196,434
Depreciable Capital Assets:				
Structures and Improvements	8,106,544	22,306,530	-	30,413,074
Equipment	818,706	-	-	818,706
Total Depreciable Capital Assets	8,925,250	22,306,530	-	31,231,780
Less Accumulated Depreciation for:				
Structures and Improvements	(607,992)	(222,175)	-	(830,167)
Equipment	(594,266)	(32,126)	-	(626,392)
Total Accumulated Depreciation	(1,202,258)	(254,301)	-	(1,456,559)
Total Depreciable Capital Assets, Net	7,722,992	22,052,229	-	29,775,221
Governmental Activities Capital Assets, Net	<u>\$ 109,442,484</u>	<u>\$ 32,528,661</u>	<u>\$ (15,999,490)</u>	<u>\$ 125,971,655</u>

Depreciation expense was charged to the Neighborhood Services governmental activities function in the amount of \$ 254,301.

## 5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT

### a. Long-Term Liabilities

Governmental activities long-term debt consists of revenue bonds, tax allocation bonds, contracts payable, notes payable, and loans payable. A summary of these obligations as recorded in the government-wide Statement of Net Assets as of June 30, 2005, is as follows:

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2005
<u>Revenue Bonds:</u>				
Centre City Parking Revenue Bonds, Series 1999 A	4.5-6.49% **	2026	\$ 12,105,000	\$ 11,095,000
Centre City Parking Revenue Bonds, Series 2003 B	3.0-5.3**	2027	20,515,000	19,960,000
Total Revenue Bonds				31,055,000
<u>Tax Allocation Bonds:</u>				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	7.8-9.75**	2014	1,400,000	880,000
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	4.4-6.0**	2020	1,200,000	920,000
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 B	6.9-8.2**	2021	3,955,000	3,305,000
Southcrest Redevelopment Project Tax Allocation Bonds, Series 1995	4.75-6.592**	2020	3,750,000	2,560,000
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	3.8-6.0**	2016	12,970,000	9,005,000
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 B	4.3-7.0**	2007	9,830,000	795,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	3.0-5.125**	2019	25,680,000	25,355,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	6.25**	2014	11,360,000	11,360,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	3.1-4.75**	2025	13,610,000	12,625,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	4.5-5.8**	2029	5,690,000	5,575,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	5.75-6.4***	2029	10,140,523	9,977,698
Central Imperial Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.69**	2031	3,395,000	3,210,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	4.0-5.6**	2025	6,100,000	5,510,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	3.95-5.35**	2025	21,390,000	20,125,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875**	2022	15,025,000	14,555,000



**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)**

North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875**	2031	13,000,000	12,135,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	4.1-5.9**	2031	7,000,000	6,540,000
Southcrest Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.5**	2026	1,860,000	1,715,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	4.93-5.55****	2027	58,425,100	57,605,100
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	5.0**	2027	3,055,000	3,055,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2.5-5.0**	2029	31,000,000	24,855,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	5.875-6.5**	2034	4,955,000	4,955,000
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2.5-4.25**	2014	865,000	695,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	4.65-5.1**	2022	6,325,000	6,325,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	3.25-5.45**	2022	4,530,000	4,530,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	3.49-7.74**	2022	8,000,000	7,735,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	1.5-6.125**	2028	7,145,000	6,790,000
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	4.75-5.0**	2034	5,360,000	5,360,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	3.5-5.25**	2030	101,180,000	101,180,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2.26-4.58**	2011	9,855,000	9,855,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2.26-6.18**	2030	27,785,000	27,785,000
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2.26-6.28**	2030	8,905,000	8,905,000
Total Tax Allocation Bonds				<u>415,777,798</u>
Total Bonds Payable				<u>446,832,798</u>
<u>Contracts Payable:</u>				
Contract Payable to SDSU Foundation dated December 1991	Variable*	-	1,597,744	1,597,744
Amendment to Contract Payable to SDSU Foundation dated January 1995	Variable*	-	117,123	<u>117,123</u>
Total Contracts Payable				<u>1,714,867</u>
<u>Notes Payable:</u>				
Note Payable to Wal-Mart, dated June 1998	10.0	2017	1,308,000	746,062
Note Payable to San Diego Revitalization, dated April 2001	5.0	2032	5,115,000	5,077,578
Note Payable to San Diego Revitalization, dated May 2005	8.0	2025	2,100,000	2,100,000
Note Payable to the City of San Diego dated April 2002	8.0	-	8,300,000	<u>8,300,000</u>
Total Notes Payable				<u>16,223,640</u>

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)**Loans Payable:

International Gateway Associates, LLC dated October 2001	10.0	2032	1,876,000	1,852,050
Loan Payable to North Park LLC, dated December 2004	Variable*	-	3,335,000	3,335,000
Loans Payable to the City of San Diego dated various dates	Variable*	-	115,017,744	115,017,744
Total Loans Payable				<u>120,204,794</u>

Accrued Interest Payable:

Accrued Interest Payable on City Note	8.0	-	-	2,295,018
Accrued Interest Payable on City Loans	Variable*	-	-	<u>113,841,722</u>
Total Accrued Interest Payable				<u>116,136,740</u>
Total Governmental Activities				<u>\$ 701,112,839</u>

\* Additional information on the variable rate contracts payable with the SDSU Foundation, loans payable with North Park Theatre, LLC, notes and loans payable to the City are discussed further.

\*\* Interest rates are fixed, and reflect the range of rates for various maturities from date of issuance to maturity.

\*\*\*The City Heights Tax Allocation Bonds, Series 1999B, are capital appreciation bonds, which mature from fiscal year 2011 through 2029. The balance outstanding at June 30, 2005 does not include accreted interest of \$4,517,751.

\*\*\*\* The Centre City Tax Allocation Bonds, Series 2001 A, partially include capital appreciation bonds, which mature from fiscal year 2015 through 2027. The balance outstanding at June 30, 2005 does not include accreted interest of \$2,945,218.

San Diego State University Foundation executed an Agreement for Processing a Redevelopment Plan and Land Use Entitlements with the Redevelopment Agency of the City of San Diego which allows for reimbursement of expenses incurred by the Foundation, in assisting in the preparation and processing of the Redevelopment Plan and Land Use Entitlements in the College Area. The agreement is a variable rate obligation of the Agency. The unpaid principal bears interest at the prime rate and is fixed on a quarterly basis, using the prime rate established on the first banking day of each calendar quarter. Interest calculations are made on the quarterly weighted average of the principal balance and are made at the end of the quarter based upon the rate fixed for that quarter. The interest rate is not to exceed 12 percent per annum on funds advanced to the Agency. The effective interest rate as of June 30, 2005 is 5.75 percent.

The Redevelopment Agency of The City of San Diego and North Park Theatre, LLC entered into a Disposition and Development Agreement dated April 23, 2002, a Second Implementation Agreement dated, April 28, 2004 and a Third Implementation Agreement dated December 9, 2004, which were executed for the purposes of effectuating the Redevelopment Plan for the North Park Redevelopment Project by providing for the disposition of certain real property and a loan to the Agency from the Developer to fund the Agency's subsidy of the rehabilitation of the North Park Theatre building by the Developer. The Third Implementation Agreement converted the loan from a fixed rate to a variable rate obligation of the Agency. The interest on the loan is based on the Prime Rate plus 2 percent for the first two years, then will increase by a 1/2 percent per year for the remainder of the term of the loan. The interest rate shall not exceed the lesser of the Prime Rate plus four percent or the maximum interest rate allowed by law. The interest rate shall be reset annually, on August 1st, based on the Prime Rate on the reset date. The effective interest rate as of June 30, 2005 is 6.75 percent.

The City of San Diego has loaned funds to the Redevelopment Agency to carry out and implement redevelopment activities which will generate future tax increment revenues. The basis for computation of interest on these loans is based on the Prime Rate as printed in the Wall Street Journal on the first Monday following January 1 of the calendar year in which the fiscal year begins plus 2 percent on the outstanding principal loan balance only. The Prime Rate as of January 1, 2005 is 4.0 percent.

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)****b. Amortization Requirements**

The debt service for revenue bonds and tax allocation bonds is paid from tax increment revenues received by the Agency. Revenue bonds are secured by a pledge of revenues generated by certain public parking facilities operated by the City pursuant to a Parking Structure Operating Agreement between the City and the Agency.

The annual requirements to amortize the Agency's long-term debt outstanding as of June 30, 2005, including interest payments to maturity, are as follows:

Year Ending  June 30,	Tax Allocation Bonds			Revenue Bonds	
	Principal	Unaccrued Appreciation	Interest	Principal	Interest
2006	\$ 10,917,320	\$ 1,821,776	\$ 19,871,503	\$ 855,000	\$ 1,609,897
2007	12,040,601	1,909,945	19,482,478	890,000	1,577,212
2008	12,631,256	1,996,099	19,038,620	920,000	1,542,684
2009	13,136,153	2,080,696	18,550,839	960,000	1,504,981
2010	13,683,678	2,162,985	17,965,301	995,000	1,463,452
2011 - 2015	79,587,006	11,861,444	78,495,098	5,710,000	6,553,504
2016 - 2020	97,878,825	11,730,367	56,195,771	7,355,000	4,853,475
2021 - 2025	100,173,624	7,694,198	31,122,949	9,655,000	2,465,193
2026 - 2030	68,569,335	1,136,439	9,117,923	3,715,000	178,323
2031 - 2035	7,160,000	-	702,046	-	-
Total	\$ 415,777,798	\$ 42,393,949	\$ 270,542,528	\$ 31,055,000	\$ 21,748,721

Add:

Accrued appreciation  
through June 30, 2005

7,462,968

Total	\$ 423,240,766	\$ 42,393,949	\$ 270,542,528	\$ 31,055,000	\$ 21,748,721
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Year Ending  June 30,	Contracts Payable		Notes Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ -	\$ -	\$ -	\$ -	\$ 13,800	\$ 185,205
2007	-	-	-	-	15,180	183,825
2008	-	-	-	-	16,698	182,307
2009	-	-	-	-	18,367	180,637
2010	-	-	-	-	20,204	178,801
2011 - 2015	-	-	-	-	135,683	859,341
2016 - 2020	-	-	-	-	218,518	776,506
2021 - 2025	-	-	-	-	351,926	643,098
2026 - 2030	-	-	-	-	566,780	428,244
2031 - 2035	-	-	-	-	494,894	102,119
Unscheduled*	1,714,867	1,540,223	16,223,640	7,147,758	118,352,744	113,878,425
Total	\$ 1,714,867	\$ 1,540,223	\$ 16,223,640	\$ 7,147,758	\$ 120,204,794	\$ 117,598,508

\*The contract payable to San Diego State University Foundation in the amount of \$1,714,867, notes payable to the San Diego Revitalization Corporation in the amount of \$7,177,578, notes payable to Wal-Mart in the amount of \$746,062, note payable to the City in the amount of \$8,300,000, loan payable to North Park LLC in the amount of \$3,335,000, loans payable to the City in the amount of \$115,017,744 and accrued interest associated with Contracts, Notes and Loans of \$122,566,406 do not have annual repayment schedules. Annual payments to the San Diego Revitalization and Wal-Mart debt are based on available tax increment.

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)****c. Changes In Long-Term Liabilities**

The following is a summary of changes in governmental activities long-term liabilities for the year ended June 30, 2005:

	Balance, July 1, 2004	Additions	Reductions	Balance, June 30, 2005	Due Within One Year
Revenue Bonds	\$ 31,880,000	\$ -	\$ (825,000)	\$ 31,055,000	\$ 855,000
Less deferred amounts:					
For Issuance Discounts	(113,979)	-	5,181	(108,798)	-
Net Revenue Bonds	31,766,021	-	(819,819)	30,946,202	855,000
Tax Allocation Bonds	308,576,332	147,725,000	(40,523,534)	415,777,798	10,983,423
Accretion	5,756,739	1,732,329	(26,100)	7,462,968	-
Net with Accretion	314,333,071	149,457,329	(40,549,634)	423,240,766	10,983,423
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	580,256	4,329,814	(205,676)	4,704,394	-
On Refunding	(548,139)	(1,236,303)	295,034	(1,489,408)	-
Net Tax Allocation Bonds	314,365,188	152,550,840	(40,460,276)	426,455,752	10,983,423
Contracts Payable	1,714,867	-	-	1,714,867	-
Notes Payable	16,729,411	2,100,000	(2,605,771)	16,223,640	-
Loans Payable	120,451,556	10,812,554	(11,059,316)	120,204,794	13,800
Interest Accrued on City Loans and Notes	111,542,797	7,799,040	(3,205,097)	116,136,740	-
Total	\$ 596,569,840	\$ 173,262,434	\$ (58,150,279)	\$ 711,681,995	\$ 11,852,223

In the current fiscal year, the Agency issued Tax Allocation Bonds in the amount of \$147,725,000 for the Centre City Project Area. Of the total, \$111,035,000 in bond proceeds will be used to finance various redevelopment activities in the area and \$36,690,000 will be used to increase the availability of housing for persons and families of low and moderate income housing in the City of San Diego.

In the current fiscal year, loans payable to the City increased by a total of \$7,477,554. Of the total, \$5,045,854 represents the amount borrowed by the Agency from the City to fund current year expenses and \$2,431,700 represents obligations recorded as notes payable in prior years that were recharacterized as loans in the current year. These obligations were originally recorded as notes payable to account for the liability incurred by the Agency for properties received from the City in prior years. The notes were recharacterized because they are substantially the same type of obligation as other City loans. The approval process and payment terms for these obligations are the same, they are subject to the same interest rate on the outstanding balance and the maturity date is unscheduled. Furthermore, there is no formal note documenting the obligation, rather, the liability is documented by a City Resolution as is the case of other City loans (see Note 9).

**5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)****d. Defeasance of Debt**

The Agency issued Centre City Subordinate Refunding Tax Allocation Bonds, Series 2004 A in the amount of \$101,180,000 and Series B in the amount of \$9,855,000. The bond proceeds were used to advance refund the remaining outstanding Centre City Tax Allocation Bonds Series 1993 A and B. The refunded bonds are defeased and the corresponding liability has been removed from the Statement of Net Assets. The refunded transaction resulted in a total economic gain of approximately \$2,220,000. In addition, the refunding resulted in a cash flow savings of approximately \$2,992,000. The refunded bonds were redeemed at a call date prior to the end of the fiscal year and, accordingly, there was no balance outstanding as of June 30, 2005.

As of June 30, 2005, principal amounts payable from escrow (irrevocable trust) funds established for defeased bonds are as follows:

Defeased Bonds	Amount Outstanding as of June 30, 2005
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 B	\$ 6,640,000

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund receivable and payable balances are the result of loans between funds that are expected to be repaid during the next fiscal year. Interfund receivable/payable balances at June 30, 2005 are as follows:

Contributing Fund (Receivable)	Benefiting Fund (Payable)			
	Special Revenue		Other Governmental Funds	Total Governmental Funds
	Other Centre City	Other Horton Plaza		
Centre City Debt Service	\$ 1,762,176	\$ -	\$ -	\$ 1,762,176
Centre City Capital Projects	63,591,471	-	-	63,591,471
Other Governmental Funds	-	9,498,974	6,657,672	16,156,646
Total Governmental Funds	<u>\$ 65,353,647</u>	<u>\$ 9,498,974</u>	<u>\$ 6,657,672</u>	<u>\$ 81,510,293</u>

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)**

Interfund transfers result from the transfer of assets without the expectation of repayment. In the case of Redevelopment, transfers are most commonly used to move revenues from the fund in which they are collected to the fund in which they are expended. Interfund transfer balances for the year ended June 30, 2005 are as follows:

Contributing Fund (Transfer Out)	Benefiting Fund (Transfer In)						
	Special Revenue			Centre City Debt Service	Centre City Capital Projects	Other Governmental Funds	Total Governmental Funds
	Centre City Low/Mod	Other Centre City	Other Horton Plaza				
Centre City Low/Mod Special Revenue	\$ -	\$ -	\$ -	\$ 6,034,065	\$ -	\$ -	\$ 6,034,065
Centre City Other Special Revenue	-	-	-	41,775,381	82,642,518	-	124,417,899
Horton Plaza Other Special Revenue	-	-	-	-	-	4,157,184	4,157,184
Centre City Debt Service	-	2,102,376	-	-	-	-	2,102,376
Centre City Capital Projects	26,395	12,742,531	-	3,000,000	-	-	15,768,926
Other Governmental Funds	-	-	5,000,000	-	-	30,454,661	35,454,661
Total Governmental Funds	\$ 26,395	\$ 14,844,907	\$ 5,000,000	\$ 50,809,446	\$ 82,642,518	\$ 34,611,845	\$ 187,935,111

**7. NET ASSETS DEFICIT**

The Agency has a net assets deficit of \$(178,665,053) at June 30, 2005, which includes a deficit in unrestricted net assets of \$(292,641,695). One of the major factors contributing to the Agency's deficit is the use of long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss. In addition, long term debt has been used to fund redevelopment activities costs that are not capitalized. A majority of the borrowed funds are used for activities such as public improvements, public parking, community development activities, commercial and retail projects, housing, and rehabilitation of properties not owned by the Agency. In addition to the public purpose of these activities, they are designed to generate additional tax increment revenues, a portion of which is used by the Agency to repay outstanding debt and finance additional projects.

**8. FUND DEFICIT**

The following table identifies funds with a net deficit as of June 30, 2005:

Fund	Net Deficit
College Community Other Special Revenue	\$ (11,841)
Barrio Logan Capital Projects	(586,337)
College Grove Capital Projects	(104,385)
Crossroads Capital Projects	(37,445)
Naval Training Center Capital Projects	(131,514)

All of the deficits can be attributed to timing of inflows of financial resources. Most expenditures in Capital Projects Funds are reimbursed from Special Revenue Funds through transfers at the time cash is disbursed. In the case of these funds, expenditures related to City services have been accrued in the Capital Projects Funds and will be reimbursed at the time of payment the following year.

## 9. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2005, the Agency received loans from the City totaling \$5,045,854 to fund redevelopment activity in the following project areas:

Project Area	Amount
Central Imperial	1,010,407
Centre City	92,772
Crossroads	100,376
Grantville	412,873
Naval Training Center	919,639
North Bay	1,735,391
North Park	734,776
Southcrest	39,620
Total	<u>\$ 5,045,854</u>

In addition, during the year ended June 30, 2005, the Agency received contributions from the City totaling \$6,276,034. Most of the contributions received were from operating revenue generated by two parking structures operated by the City for payment of debt service related to parking revenue bonds used for the construction of these parking structures in the Centre City Project Area.

During the year ended June 30, 2005, the Agency's participation in various City Capital Improvement Projects totaled \$2,616,177. This participation included work in the Central Imperial, Centre City, City Heights, Crossroads, North Bay, North Park and San Ysidro project areas.

The redevelopment project areas are overseen by the Agency's three administrative units: Centre City Development Corporation ("CCDC"), Southeastern Economic Development Corporation, ("SEDC") and the Redevelopment Division of the City's City Planning and Community Investment Department. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC, SEDC and the Redevelopment Division for all eligible costs incurred in connection with such activities.

Pursuant to these operating agreements, the Agency provides a working capital advance to CCDC and SEDC to be deposited in an account with a commercial bank designated by each corporation as its depository. The corporations then draw funds to pay for eligible expenses incurred in connection with services rendered. At the end of each calendar month, the corporations submit to the Agency a voucher for the total of eligible expenses paid out of the account during the previous calendar month. Upon approval by the City, the corporations are reimbursed for these expenses. Similarly, costs for services incurred under the operating agreement with the Redevelopment Division of the City are initially recorded in the Redevelopment Division Administrative Fund and reimbursed by the Agency on a periodic basis upon receipt of a statement of expenses.

The following table reflects the reimbursements made during the current fiscal year:

	Amount
Centre City Development Corporation.....	\$ 6,000,030
Southeastern Economic Development Corporation....	1,730,325
City Redevelopment Division.....	3,378,091
Total.....	<u>\$ 11,108,446</u>

## 10. CONTINGENCIES

### FEDERAL AND STATE GRANTS

The Redevelopment Agency receives certain grant funds from the City of San Diego for Federal programs it administers on behalf of the City. Although the City's Federal grant programs are audited in accordance with the requirements of the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget Circular A-133, these programs may be subject to financial and compliance audits by the cognizant agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Single Audit for fiscal year 2004 was completed by Macias Gini & O'Connell LLP and has been received and filed by the City Council.

Additionally, the local unit of the U.S. Department of Housing and Urban Development (HUD) has recently conducted a review of the Redevelopment Agency's use of Community Development Block Grant (CDBG) funds and also the City's compliance with the National Environmental Protection Act and related regulations. The overall objective of the review was to determine whether management complied with applicable laws, regulations, and requirements of HUD's CDBG program, HOME Investment Partnership, Emergency Shelter Grant, Housing Opportunities for Persons with AIDS and Capital Fund (Public Housing) Program. After review of the CDBG program, HUD determined that the City may not be in compliance with CFR 85.25. Specifically, HUD is concerned with CDBG loans made by the City to the Redevelopment Agency, "Re-Loans", and other program eligibility issues. The Office of the Inspector General has determined that a more detailed audit of the City and Redevelopment Agency's compliance with applicable laws and regulations is necessary.

At the conclusion of the review of Environmental Monitoring practices of the City, it was determined that the City's operations were not compliant with various laws and regulations concerning compliance with CFR 58.13. Specifically, two findings were identified that related to inadequate or insufficient environmental review of proposed projects funded using HUD Grant Awards. Additionally, environmental reviews were found to have been performed after the City had legally committed to disburse funds. These findings included an instance of non-compliance related to a project administered by the Redevelopment Agency for which a copy of the environmental review record could not be found. The review letter stated that HUD "considers the City's findings serious" and required that the City take corrective action in order to improve internal controls over the City's compliance with HUD regulations. In the event that the City is unable to demonstrate it has taken the appropriate corrective action in a timely manner, penalties including repayment of Grant funds may be assessed by the Cognizant Agency. The amount and probability of any liabilities and or claim expenses being incurred by the City or Redevelopment Agency can not be determined at this time.

## 11. SUBSEQUENT EVENTS

On June 22, 2006, the Redevelopment Agency of The City of San Diego issued \$76,200,000 of Subordinate Tax Allocation Bonds (Series 2006A) and \$33,800,000 of Housing Tax Allocation Bonds (Series 2006B). The Series 2006A Subordinate Bonds were issued for the purpose of financing certain redevelopment activities within the Centre City Project, to pay the costs of debt service reserve surety bonds and the costs of issuance in connection with the Series 2006A Subordinate Bonds. The 2006 Series B Subordinate Bonds were issued for the purpose of financing certain improvements relating to, or increasing the development of low and moderate income housing, to pay the costs of the debt service reserve surety bonds and the costs of the issuance for the Series 2006B Subordinate Bonds. The Series 2006 A and B Bonds are payable from and secured by subordinate pledged tax revenues derived from the Centre City Redevelopment Project Area. The interest rate on the bonds ranges from 4.25 to 6.20% and the maturity date for the 2006A issue is September 1, 2032 and for the 2006B issue is September 1, 2031.



**11. SUBSEQUENT EVENTS (Continued)**

On October 31, 2006, the Redevelopment Agency of the City of San Diego executed a non-revolving line of credit with Bank of America, N.A. for an aggregate amount of \$10,000,000 comprised of a tax-exempt commitment of \$7,534,337 and a taxable commitment of \$2,465,663. The line of credit is to be used to refinance the North Park Theatre, to pay sums of settlement of eminent domain actions relating to the North Park Redevelopment Project Area and for other redevelopment activities in the North Park Redevelopment Project Area. The interest rate on the tax-exempt advances will be at a rate per year equal to 62.347% of the LIBOR Rate plus .90% and the interest rate on the taxable advances will be at a rate per year equal to the LIBOR Rate plus 1.20%, unless the Agency elects to have any of the tax-exempt or taxable advances bear interest at a rate based on the Bank's Prime Rate. The maturity date will be November 1, 2008, unless the Agency issues bonds, notes or other obligations for the North Park Project Area prior to the maturity date.

On July 12, 2007, the Public Facilities Financing Authority issued \$17,230,000 Series 2007A taxable pooled financing Bonds for Southcrest, Central Imperial and Mount Hope Redevelopment Projects and \$17,755,000 Series 2007B tax-exempt pooled financing Bonds for Southcrest and Central Imperial Redevelopment Projects. The Series A and Series B Bonds together were issued to make loans to the Redevelopment Agency of the City of San Diego to be used for financing and refinancing redevelopment activities in the Southcrest, Central Imperial and Mount Hope Redevelopment Project Areas. The issuance was through a public offering. The Series 2007 A and 2007 B Bonds are secured by a Loan Agreement and a Second Supplemental Trust Agreement (Central Imperial Redevelopment Project Area) and a Third Supplemental Trust Agreement (Southcrest Redevelopment Project Area) and a Fourth Supplemental Trust Agreement (Mount Hope Redevelopment Area) and are payable solely from the tax increment revenues derived from each project area. The interest rates range from 4.0% to 6.65%, and the final maturity date is October 1, 2037.

On July 26, 2007, the Redevelopment Agency of the City of San Diego executed six separate non-revolving secured three-year term taxable lines of credit with San Diego National Bank. Four lines of credit are for affordable housing in North Park, City Heights, North Bay and Naval Training Center (NTC) Redevelopment Project Areas for an aggregate of \$34,000,000. The two additional lines of credit are for non-housing or general purpose for the City Heights, which is a taxable line of credit of \$20,000,000 and NTC Redevelopment Project, which is taxable for \$6,000,000 and tax-exempt for \$10,000,000. The Agency may elect to have the taxable advance bear interest at a fixed rate to the United States Three-Year Treasury Constant Maturities Index plus 1.90%, which will remain fixed for the entire period of such advance or elect to have the interest set at a fixed rate to equal to the One-Month LIBOR Rate plus 1.10%. Tax-exempt advances will bear interest at a fixed rate determined by adding .70% to the product of the One-Month LIBOR Rate multiplied by 90%. Interest will be payable quarterly in arrears along with a .45% per annum loan fee on the unused commitment. Principal is due at maturity with no prepayment penalty.

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## Required Supplementary Information

**CENTRE CITY LOW AND MODERATE INCOME HOUSING  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
Year Ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Tax Increments.....	\$ 1,318,000	\$ 2,508,576	\$ 11,527,427	\$ 9,018,851
Bond Proceeds.....	31,213,000	34,847,000	36,690,000	1,843,000
Interest/Rent/Other.....	300,000	300,000	1,251,114	951,114
Developer Proceeds.....	3,125,000	3,125,000	-	(3,125,000)
City Participation.....	-	556,723	496,000	(60,723)
Other Revenue.....	1,774,000	1,774,000	75,297	(1,698,703)
<b>TOTAL REVENUES.....</b>	<b>37,730,000</b>	<b>43,111,299</b>	<b>50,039,838</b>	<b>6,928,539</b>
<b>EXPENDITURES</b>				
Administration/Legal/Planning.....	800,000	800,000	951,384	(151,384)
Real Estate Acquisition.....	50,000	3,684,000	12,003,382	(8,319,382)
Project Improvements.....	300,000	2,047,299	8,211,331	(6,164,032)
Rehabilitation/Property Management/Other.....	36,580,000	36,580,000	20,292,315	16,287,685
<b>TOTAL EXPENDITURES.....</b>	<b>37,730,000</b>	<b>43,111,299</b>	<b>41,458,412</b>	<b>1,652,887</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,581,426</b>	<b>\$ 8,581,426</b>

## Notes to Required Supplementary Information

### Note A - Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds. A budget is not adopted for special revenue funds, other than the low and moderate income housing funds, since these funds are mostly used to collect tax increment revenue and bond proceeds. For this reason, a budget to actual comparison is not required for the Centre City Other Special Revenue or the Horton Plaza Other Special Revenue Major funds. A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented in page 62 of this report.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted generally during the months of May or June, through passage of an ordinance by the City Council and resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors' approval except as delegated in the Annual Appropriation Ordinance.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

### Note B - Explanation of Differences between Revenues, Expenditures, and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and GAAP Major Special Revenue Funds on a GAAP Basis.

<u>Financial Statements Major Funds</u>	<u>Centre City Low/Mod</u>
Expenditures	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules.....	\$ 41,458,412
Adjustments:	
Encumbrances are included in the budgetary basis of accounting.....	(33,937,450)
Losses related to net realizable value of property held for resale are not included in the budgetary basis of accounting	1,343,611
Transfers to other funds are classified as Other Expenditures in the budgetary basis of accounting.....	<u>(6,034,065)</u>
Total expenditures on a GAAP basis of accounting	<u><u>\$ 2,830,508</u></u>

**Note C - Explanation of Excess Expenditures over Appropriations**

Expenditures in the Centre City Low to Moderate Housing Fund exceeded appropriations for the following line items:

	<u>Variance</u>
Administration/Legal/Planning.....	\$ (151,384)
Real Estate Acquisition.....	(8,319,382)
Project Improvements.....	(6,164,032)

In August 2002, the City Council approved the concept of leveraging the Agency's 20% Low and Moderate moderate-income housing set-aside funds of up to \$55 million in available financing to assist in the creation of new affordable housing units citywide. In Fiscal Year 2005, the Centre City Development Corporation issued Tax Allocation bonds series 2004C and D for this purpose. These funds were budgeted under the Rehabilitation, Property Management and Other category due to the fact that specific project expenditures had not been identified at the time the budget was prepared and approved by the Agency Board. The Rehabilitation, Property Management and Other category reflects a positive variance of \$16,287,685 that offsets the negative variances stated above. Budgetary control for redevelopment funds is maintained at the total fund appropriation level. For further information of the Agency's Budgetary Policy see Note 1, section e of the Notes to the Basic Financial Statements.

## Nonmajor Governmental Funds

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2005**

	Other Governmental Funds			Total Nonmajor Governmental Funds
	Special Revenue	Debt Service	Capital Projects	
<b>ASSETS</b>				
Cash or Equity in Pooled Cash and Investments.....	\$ 28,798,892	\$ 12,659	\$ 7,930,823	\$ 36,742,374
Cash and Investments with Fiscal Agent.....	4,677,264	14,140,895	-	18,818,159
Investments at Fair Value.....	4,194,490	-	-	4,194,490
Receivables:				
Taxes.....	1,455,627	-	58,479	1,514,106
Accounts.....	-	-	3,630	3,630
Notes and Contracts.....	17,122,079	-	3,946,953	21,069,032
Interest.....	203,607	2,729	66,605	272,941
From Other Funds.....	1,436,245	715,274	14,005,127	16,156,646
Working Capital Advances:				
Centre City Development Corporation.....	-	-	275,000	275,000
Southeastern Economic Development Corporation.....	-	-	158,977	158,977
Land Held for Resale.....	21,639	-	12,192,488	12,214,127
<b>TOTAL ASSETS.....</b>	<b>\$ 57,909,843</b>	<b>\$ 14,871,557</b>	<b>\$ 38,638,082</b>	<b>\$ 111,419,482</b>
<b>LIABILITIES</b>				
Accounts Payable.....	\$ 1,832,032	\$ -	\$ 4,437,716	\$ 6,269,748
Deferred Revenue.....	885,944	-	1,270,700	2,156,644
Due to Other Funds.....	6,657,672	-	-	6,657,672
Trust Liability.....	-	-	153,076	153,076
<b>TOTAL LIABILITIES.....</b>	<b>9,375,648</b>	<b>-</b>	<b>5,861,492</b>	<b>15,237,140</b>
<b>FUND BALANCES</b>				
Fund Balances:				
Reserved for Land Held for Resale.....	21,639	-	12,192,488	12,214,127
Reserved for Encumbrances.....	5,627,287	-	11,832,334	17,459,621
Reserved for Working Capital Advances.....	-	-	433,977	433,977
Reserved for Low and Moderate Income Housing .....	23,950,983	-	-	23,950,983
Reserved for Debt Service.....	-	14,871,557	-	14,871,557
Unreserved:				
Designated for Debt Service.....	12,571,758	-	-	12,571,758
Designated for Subsequent Years' Expenditures.....	313,902	-	11,731,292	12,045,194
Undesignated.....	6,048,626	-	(3,413,501)	2,635,125
<b>TOTAL FUND BALANCES.....</b>	<b>48,534,195</b>	<b>14,871,557</b>	<b>32,776,590</b>	<b>96,182,342</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 57,909,843</b>	<b>\$ 14,871,557</b>	<b>\$ 38,638,082</b>	<b>\$ 111,419,482</b>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2005**

	Other Governmental Funds			Total Nonmajor Governmental Funds
	Special Revenue	Debt Service	Capital Projects	
<b>REVENUES</b>				
Tax Increments.....	\$ 18,105,530	\$ 9,200,634	\$ 7,630,613	\$ 34,936,777
Interest.....	954,393	329,382	189,515	1,473,290
Rents.....	-	-	73,626	73,626
Private Sources.....	-	-	9,281,427	9,281,427
Other Revenue.....	61,444	12,900	2,136,042	2,210,386
<b>TOTAL REVENUES.....</b>	<b>19,121,367</b>	<b>9,542,916</b>	<b>19,311,223</b>	<b>47,975,506</b>
<b>EXPENDITURES</b>				
Administration.....	630,063	-	7,600,674	8,230,737
Legal.....	22,392	-	783,149	805,541
Plans and Surveys.....	268,412	-	2,789,615	3,058,027
Acquisition Expense.....	529	-	128,837	129,366
Real Estate/Fixture Purchases.....	-	-	191,250	191,250
Property Management.....	14,636	-	215,692	230,328
Relocation.....	913	-	29,539	30,452
Rehabilitation.....	748,209	-	3,527,391	4,275,600
Site Clearance.....	-	-	716,550	716,550
Project Improvements.....	1,000,056	-	7,583,254	8,583,310
Promotions and Marketing.....	-	-	400	400
Bond Sale Expense.....	2,000	-	9,539	11,539
Program Management.....	7,660	-	1,413,669	1,421,329
Rehabilitation Loans.....	452,000	-	-	452,000
Housing and Other Subsidies.....	680,000	-	-	680,000
Tax Sharing Payments.....	5,112,996	-	-	5,112,996
ERAF Payments.....	1,474,020	-	600,000	2,074,020
City Capital Outlay.....	-	-	1,031,193	1,031,193
Debt Service:				
Principal.....	-	6,657,450	-	6,657,450
Interest.....	-	9,366,254	-	9,366,254
<b>TOTAL EXPENDITURES.....</b>	<b>10,413,886</b>	<b>16,023,704</b>	<b>26,620,752</b>	<b>53,058,342</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>8,707,481</b>	<b>(6,480,788)</b>	<b>(7,309,529)</b>	<b>(5,082,836)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Bonds, Developer Loans and Notes.....	-	-	7,170,391	7,170,391
Loans from the City of San Diego.....	-	-	3,217,690	3,217,690
Transfers from Other Funds.....	12,400,537	3,440,399	1,830,633	17,671,569
Transfers from Bond Proceeds.....	2,103,300	4,053,971	10,783,005	16,940,276
Transfers to Other Funds.....	(25,450,299)	(6,622,380)	(3,381,982)	(35,454,661)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(10,946,462)</b>	<b>871,990</b>	<b>19,619,737</b>	<b>9,545,265</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(2,238,981)</b>	<b>(5,608,798)</b>	<b>12,310,208</b>	<b>4,462,429</b>
Fund Balances at July 1, 2004.....	50,773,176	20,480,355	20,466,382	91,719,913
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ 48,534,195</b>	<b>\$ 14,871,557</b>	<b>\$ 32,776,590</b>	<b>\$ 96,182,342</b>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**June 30, 2005**

	Barrio Logan		Central Imperial
	Low-Mod	Other	Low-Mod
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 39,009	\$ 68,939	\$ 547,731
Cash and Investments with Fiscal Agent.....	-	-	-
Investments at Fair Value.....	-	-	-
Receivables:			
Taxes.....	2,239	8,957	16,853
Notes and Contracts.....	-	-	-
Interest.....	427	792	4,179
From Other Funds.....	-	-	37,938
Land Held for Resale.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 41,675</b>	<b>\$ 78,688</b>	<b>\$ 606,701</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 6,751	\$ 25,660	\$ 22,301
Deferred Revenue.....	-	-	-
Due to Other Funds.....	-	-	39,938
<b>TOTAL LIABILITIES.....</b>	<b>6,751</b>	<b>25,660</b>	<b>62,239</b>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Encumbrances.....	20,661	-	33,580
Reserved for Low and Moderate Income Housing .....	14,263	-	510,882
Unreserved:			
Designated for Debt Service.....	-	53,028	-
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>34,924</b>	<b>53,028</b>	<b>544,462</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 41,675</b>	<b>\$ 78,688</b>	<b>\$ 606,701</b>

Central Imperial Other	City Heights		College Community		College Grove	
	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 507,327	\$ 1,392,202	\$ 4,519,298	\$ 315,405	\$ -	\$ 202,793	\$ 555,402
-	-	-	-	-	-	-
-	-	-	-	-	-	-
101,048	97,355	389,420	4,320	17,280	2,089	8,354
-	4,340,117	-	-	-	-	-
4,241	9,389	30,412	2,260	747	1,217	3,283
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 612,616</u>	<u>\$ 5,839,063</u>	<u>\$ 4,939,130</u>	<u>\$ 321,985</u>	<u>\$ 18,027</u>	<u>\$ 206,099</u>	<u>\$ 567,039</u>
\$ 85,050	\$ 35,632	\$ 5,823	\$ -	\$ -	\$ -	\$ 90,393
-	-	-	-	-	-	-
10,732	-	-	-	29,868	-	-
-	-	-	-	-	-	-
<u>95,782</u>	<u>35,632</u>	<u>5,823</u>	<u>-</u>	<u>29,868</u>	<u>-</u>	<u>90,393</u>
-	-	-	-	-	-	-
-	465,995	-	-	-	-	-
-	5,337,436	-	321,985	-	206,099	-
484,214	-	4,914,419	-	-	-	476,646
-	-	8,054	-	-	-	-
32,620	-	10,834	-	(11,841)	-	-
<u>516,834</u>	<u>5,803,431</u>	<u>4,933,307</u>	<u>321,985</u>	<u>(11,841)</u>	<u>206,099</u>	<u>476,646</u>
<u>\$ 612,616</u>	<u>\$ 5,839,063</u>	<u>\$ 4,939,130</u>	<u>\$ 321,985</u>	<u>\$ 18,027</u>	<u>\$ 206,099</u>	<u>\$ 567,039</u>

Continue on next page.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
June 30, 2005

	Crossroads		Gateway Center West
	Low-Mod	Other	Low-Mod
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 225,547	\$ 552,613	\$ 37,528
Cash and Investments with Fiscal Agent.....	-	-	-
Investments at Fair Value.....	-	-	-
Receivables:			
Taxes.....	15,857	63,429	695
Notes and Contracts.....	-	-	-
Interest.....	1,235	4,718	223
From Other Funds.....	-	-	125
Land Held for Resale.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 242,639</b>	<b>\$ 620,760</b>	<b>\$ 38,571</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ -	\$ 61,793	\$ -
Deferred Revenue.....	-	-	-
Due to Other Funds.....	-	-	125
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>61,793</b>	<b>125</b>
<b>FUND EQUITY</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Encumbrances.....	-	-	-
Reserved for Low and Moderate Income Housing .....	242,639	-	38,446
Unreserved:			
Designated for Debt Service.....	-	558,967	-
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	-
<b>TOTAL FUND EQUITY.....</b>	<b>242,639</b>	<b>558,967</b>	<b>38,446</b>
<b>TOTAL LIABILITIES AND FUND EQUITY.....</b>	<b>\$ 242,639</b>	<b>\$ 620,760</b>	<b>\$ 38,571</b>

Gateway Center West Other	Horton Plaza Low-Mod	Linda Vista		Mount Hope		Naval Training Center Low-Mod
		Low-Mod	Other	Low-Mod	Other	
\$ 139,020	\$ 6,209,044	\$ 8,832	\$ 158,065	\$ 415,845	\$ 794,661	\$ 904,828
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,780	22,994	266	1,064	5,038	20,152	32,981
-	12,631,962	-	-	150,000	-	-
1,069	44,637	1,337	1,431	2,916	5,035	5,751
-	1,387,358	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 142,869</u>	<u>\$ 20,295,995</u>	<u>\$ 10,435</u>	<u>\$ 160,560</u>	<u>\$ 573,799</u>	<u>\$ 819,848</u>	<u>\$ 943,560</u>
\$ -	\$ 819,590	\$ -	\$ -	\$ -	\$ -	\$ -
-	885,944	-	-	-	-	-
675	1,387,358	-	-	15,590	206,085	-
-	-	-	-	-	-	-
675	3,092,892	-	-	15,590	206,085	-
-	-	-	-	-	-	-
-	3,191,489	-	-	-	-	-
-	14,011,614	10,435	-	558,209	-	943,560
-	-	-	-	-	-	-
142,086	-	-	160,560	-	613,744	-
-	-	-	-	-	-	-
108	-	-	-	-	19	-
-	-	-	-	-	-	-
<u>142,194</u>	<u>17,203,103</u>	<u>10,435</u>	<u>160,560</u>	<u>558,209</u>	<u>613,763</u>	<u>943,560</u>
<u>\$ 142,869</u>	<u>\$ 20,295,995</u>	<u>\$ 10,435</u>	<u>\$ 160,560</u>	<u>\$ 573,799</u>	<u>\$ 819,848</u>	<u>\$ 943,560</u>

Continue on next page.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**June 30, 2005**

	Naval Training Center Other	North Bay	
		Low-Mod	Other
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 2,087,221	\$ 1,856,713	\$ 1,450,039
Cash and Investments with Fiscal Agent.....	-	-	-
Investments at Fair Value.....	-	-	3,517,590
Receivables:			
Taxes.....	131,924	24,461	97,845
Notes and Contracts.....	-	-	-
Interest.....	11,989	11,956	11,996
From Other Funds.....	-	-	-
Land Held for Resale.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 2,231,134</b>	<b>\$ 1,893,130</b>	<b>\$ 5,077,470</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 140,541	\$ 377	\$ 201,220
Deferred Revenue.....	-	-	-
Due to Other Funds.....	-	-	985,506
<b>TOTAL LIABILITIES.....</b>	<b>140,541</b>	<b>377</b>	<b>1,186,726</b>
<b>FUND EQUITY</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	-	-	-
Reserved for Encumbrances.....	-	1,701,230	-
Reserved for Low and Moderate Income Housing .....	-	191,523	-
Unreserved:			
Designated for Debt Service.....	2,090,593	-	1,167,832
Designated for Subsequent Years' Expenditures.....	-	-	-
Undesignated.....	-	-	2,722,912
<b>TOTAL FUND EQUITY.....</b>	<b>2,090,593</b>	<b>1,892,753</b>	<b>3,890,744</b>
<b>TOTAL LIABILITIES AND FUND EQUITY.....</b>	<b>\$ 2,231,134</b>	<b>\$ 1,893,130</b>	<b>\$ 5,077,470</b>

North Park		San Ysidro		Southcrest		Total
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	
\$ 1,634,319	\$ 2,107,578	\$ 582,392	\$ 613,069	\$ 304,626	\$ 568,846	\$ 28,798,892
-	4,677,264	-	-	-	-	4,677,264
-	577,352	-	-	-	99,548	4,194,490
51,209	204,834	13,811	55,246	12,625	50,501	1,455,627
-	-	-	-	-	-	17,122,079
10,051	17,593	4,123	4,901	2,146	3,553	203,607
-	-	-	-	10,824	-	1,436,245
-	-	-	-	21,639	-	21,639
<u>\$ 1,695,579</u>	<u>\$ 7,584,621</u>	<u>\$ 600,326</u>	<u>\$ 673,216</u>	<u>\$ 351,860</u>	<u>\$ 722,448</u>	<u>\$ 57,909,843</u>
\$ 8,759	\$ 193,422	\$ 47	\$ 131,663	\$ 3,010	\$ -	\$ 1,832,032
-	-	-	-	-	-	885,944
825,262	2,960,517	-	-	10,824	185,192	6,657,672
<u>834,021</u>	<u>3,153,939</u>	<u>47</u>	<u>131,663</u>	<u>13,834</u>	<u>185,192</u>	<u>9,375,648</u>
-	-	-	-	21,639	-	21,639
25,418	-	106,923	-	81,991	-	5,627,287
836,140	-	493,356	-	234,396	-	23,950,983
-	830,865	-	541,553	-	537,251	12,571,758
-	305,843	-	-	-	5	313,902
-	3,293,974	-	-	-	-	6,048,626
<u>861,558</u>	<u>4,430,682</u>	<u>600,279</u>	<u>541,553</u>	<u>338,026</u>	<u>537,256</u>	<u>48,534,195</u>
<u>\$ 1,695,579</u>	<u>\$ 7,584,621</u>	<u>\$ 600,326</u>	<u>\$ 673,216</u>	<u>\$ 351,860</u>	<u>\$ 722,448</u>	<u>\$ 57,909,843</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2005

	Barrio Logan		Central Imperial
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 59,783	\$ 79,136	\$ 320,762
Interest.....	1,208	2,780	13,100
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>60,991</b>	<b>81,916</b>	<b>333,862</b>
<b>EXPENDITURES</b>			
Administration.....	21,765	3,822	53,360
Legal.....	-	-	20,988
Plans and Surveys.....	75,896	-	72,693
Acquisition Expense.....	-	-	-
Property Management.....	-	-	2,700
Relocation.....	913	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	8,976
Bond Sale Expense.....	-	-	-
Program Management.....	-	-	4,435
Rehabilitation Loans.....	-	-	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	74,021	-
ERAF Payments.....	-	7,262	-
<b>TOTAL EXPENDITURES.....</b>	<b>98,574</b>	<b>85,105</b>	<b>163,152</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(37,583)</b>	<b>(3,189)</b>	<b>170,710</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	-	124,180
Transfers from Bond Proceeds.....	-	-	73,000
Transfers to Other Funds.....	-	-	(187,440)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>9,740</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(37,583)</b>	<b>(3,189)</b>	<b>180,450</b>
Fund Balances at July 1, 2004.....	72,507	56,217	364,012
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ 34,924</b>	<b>\$ 53,028</b>	<b>\$ 544,462</b>



Central Imperial Other	City Heights		College Community		College Grove	
	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
\$ 362,011	\$ 1,787,154	\$ 4,402,769	\$ 47,105	\$ -	\$ 158,945	\$ 393,447
16,857	60,810	87,020	7,272	2,292	8,564	8,868
-	16,458	-	-	-	-	-
378,868	1,864,422	4,489,789	54,377	2,292	167,509	402,315
12,461	89,283	55,236	1,887	4,022	1,173	4,692
-	-	-	-	-	-	-
-	63,882	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	570,209	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	452,000	-
-	480,000	-	-	-	-	-
162,361	-	1,988,790	-	26,830	-	153,766
110,035	-	448,348	-	17,654	-	46,817
284,857	1,203,374	2,492,374	1,887	48,506	453,173	205,275
94,011	661,048	1,997,415	52,490	(46,214)	(285,664)	197,040
39,671	1,713,796	18,888	-	-	-	-
-	1,734,118	-	-	-	-	-
(178,735)	(2,683,652)	(1,713,796)	-	(3,344)	-	-
(139,064)	764,262	(1,694,908)	-	(3,344)	-	-
(45,053)	1,425,310	302,507	52,490	(49,558)	(285,664)	197,040
561,887	4,378,121	4,630,800	269,495	37,717	491,763	279,606
\$ 516,834	\$ 5,803,431	\$ 4,933,307	\$ 321,985	\$ (11,841)	\$ 206,099	\$ 476,646

Continue on next page.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2005

	Crossroads		Gateway Center West
	Low-Mod	Other	Low-Mod
<b>REVENUES</b>			
Tax Increments.....	\$ 243,352	\$ 629,928	\$ 51,726
Interest.....	1,332	6,618	477
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>244,684</b>	<b>636,546</b>	<b>52,203</b>
<b>EXPENDITURES</b>			
Administration.....	2,045	8,178	1,039
Legal.....	-	-	-
Plans and Surveys.....	-	-	152
Acquisition Expense.....	-	-	-
Property Management.....	-	-	-
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	-
Bond Sale Expense.....	-	-	-
Program Management.....	-	-	-
Rehabilitation Loans.....	-	-	-
Housing Subsidies.....	-	-	-
Tax Sharing Payments.....	-	69,401	-
ERAF Payments.....	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>2,045</b>	<b>77,579</b>	<b>1,191</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>242,639</b>	<b>558,967</b>	<b>51,012</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	-	255
Transfers from Bond Proceeds.....	-	-	125
Transfers to Other Funds.....	-	-	(30,105)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>(29,725)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>242,639</b>	<b>558,967</b>	<b>21,287</b>
Fund Balances at July 1, 2004.....	-	-	17,159
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ 242,639</b>	<b>\$ 558,967</b>	<b>\$ 38,446</b>

Gateway Center West Other	Horton Plaza Low-Mod	Linda Vista		Mount Hope		Naval Training Center Low-Mod
		Low-Mod	Other	Low-Mod	Other	
\$ 79,859	\$ 1,442,164	\$ 17,192	\$ -	\$ 232,963	\$ 131,173	\$ 542,809
2,649	210,201	4,958	5,394	9,754	20,567	13,098
-	44,986	-	-	-	-	-
82,508	1,697,351	22,150	5,394	242,717	151,740	555,907
4,158	107,733	909	3,637	25,553	7,054	3,752
-	1,404	-	-	-	-	-
-	-	-	-	26,310	-	-
-	-	-	-	-	-	-
-	11,636	-	-	300	-	-
-	-	-	-	-	-	-
-	-	178,000	-	-	-	-
-	950,385	-	-	-	-	-
-	2,000	-	-	-	-	-
-	-	-	-	1,454	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,000	-	-	10,184	-	95,000	-
10,158	1,073,158	178,909	13,821	53,617	102,054	3,752
72,350	624,193	(156,759)	(8,427)	189,100	49,686	552,155
334	-	-	-	12,344	392,542	-
-	223,525	-	-	12,733	-	-
(247)	(805,636)	-	(18,792)	(189,158)	(399,002)	-
87	(582,111)	-	(18,792)	(164,081)	(6,460)	-
72,437	42,082	(156,759)	(27,219)	25,019	43,226	552,155
69,757	17,161,021	167,194	187,779	533,190	570,537	391,405
\$ 142,194	\$ 17,203,103	\$ 10,435	\$ 160,560	\$ 558,209	\$ 613,763	\$ 943,560

Continue on next page.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
Year Ended June 30, 2005

	Naval Training Center Other	North Bay Low-Mod	Other
<b>REVENUES</b>			
Tax Increments.....	\$ 1,448,214	\$ 777,170	\$ 1,557,033
Interest.....	34,453	55,700	98,226
Other Revenue.....	-	-	-
<b>TOTAL REVENUES.....</b>	<b>1,482,667</b>	<b>832,870</b>	<b>1,655,259</b>
<b>EXPENDITURES</b>			
Administration.....	15,010	7,112	26,759
Legal.....	-	-	-
Plans and Surveys.....	-	4,905	-
Acquisition Expense.....	-	529	-
Property Management.....	-	-	-
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Project Improvements.....	-	-	-
Bond Sale Expense.....	-	-	-
Program Management.....	-	-	-
Rehabilitation Loans.....	-	-	-
Housing Subsidies.....	-	200,000	-
Tax Sharing Payments.....	506,059	-	913,285
ERAF Payments.....	47,531	-	245,145
<b>TOTAL EXPENDITURES.....</b>	<b>568,600</b>	<b>212,546</b>	<b>1,185,189</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>914,067</b>	<b>620,324</b>	<b>470,070</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	-	3,306,075	3,702,210
Transfers from Bond Proceeds.....	-	-	-
Transfers to Other Funds.....	-	(3,293,493)	(4,003,644)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>12,582</b>	<b>(301,434)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>914,067</b>	<b>632,906</b>	<b>168,636</b>
Fund Balances at July 1, 2004.....	1,176,526	1,259,847	3,722,108
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ 2,090,593</b>	<b>\$ 1,892,753</b>	<b>\$ 3,890,744</b>

North Park		San Ysidro		Southcrest		Total
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	
\$ 747,051	\$ 1,017,917	\$ 409,332	\$ 572,877	\$ 239,586	\$ 354,072	\$ 18,105,530
47,391	189,182	9,812	17,246	3,417	15,147	954,393
-	-	-	-	-	-	61,444
794,442	1,207,099	419,144	590,123	243,003	369,219	19,121,367
5,627	22,509	96,389	13,247	24,462	7,189	630,063
-	-	-	-	-	-	22,392
17,124	-	5,450	-	2,000	-	268,412
-	-	-	-	-	-	529
-	-	-	-	-	-	14,636
-	-	-	-	-	-	913
-	-	-	-	-	-	748,209
-	-	-	-	40,695	-	1,000,056
-	-	-	-	-	-	2,000
-	-	-	-	1,771	-	7,660
-	-	-	-	-	-	452,000
-	-	-	-	-	-	680,000
-	756,791	-	461,692	-	-	5,112,996
-	200,489	-	144,555	-	95,000	1,474,020
22,751	979,789	101,839	619,494	68,928	102,189	10,413,886
771,691	227,310	317,305	(29,371)	174,075	267,030	8,707,481
1,634,439	1,222,884	-	-	199,799	33,120	12,400,537
-	-	-	-	59,799	-	2,103,300
(2,101,401)	(9,489,081)	-	-	(233,327)	(119,446)	(25,450,299)
(466,962)	(8,266,197)	-	-	26,271	(86,326)	(10,946,462)
304,729	(8,038,887)	317,305	(29,371)	200,346	180,704	(2,238,981)
556,829	12,469,569	282,974	570,924	137,680	356,552	50,773,176
\$ 861,558	\$ 4,430,682	\$ 600,279	\$ 541,553	\$ 338,026	\$ 537,256	\$ 48,534,195

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
June 30, 2005

	Central Imperial	City Heights	College Grove
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ -	\$ 12,659	\$ -
Cash and Investments with Fiscal Agent.....	267,239	1,937,877	-
Receivables:			
Interest.....	-	97	-
From Other Funds.....	-	-	-
 TOTAL ASSETS.....	 <u>\$ 267,239</u>	 <u>\$ 1,950,633</u>	 <u>\$ -</u>
 <b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Debt Service.....	\$ 267,239	\$ 1,950,633	\$ -
 TOTAL FUND BALANCES.....	 <u>267,239</u>	 <u>1,950,633</u>	 <u>-</u>
 TOTAL LIABILITIES AND FUND BALANCES.....	 <u>\$ 267,239</u>	 <u>\$ 1,950,633</u>	 <u>\$ -</u>

<u>Gateway Center West</u>	<u>Horton Plaza</u>	<u>Mount Hope</u>	<u>North Bay</u>	<u>North Park</u>	<u>San Ysidro</u>	<u>Southcrest</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,659
118,028	7,961,843	494,093	1,247,273	1,807,910	-	306,632	14,140,895
-	-	360	-	2,272	-	-	2,729
<u>3</u>	<u>606,874</u>	<u>15,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,095</u>	<u>715,274</u>
<u>\$ 118,031</u>	<u>\$ 8,568,717</u>	<u>\$ 509,755</u>	<u>\$ 1,247,273</u>	<u>\$ 1,810,182</u>	<u>\$ -</u>	<u>\$ 399,727</u>	<u>\$ 14,871,557</u>
<u>\$ 118,031</u>	<u>\$ 8,568,717</u>	<u>\$ 509,755</u>	<u>\$ 1,247,273</u>	<u>1,810,182</u>	<u>\$ -</u>	<u>\$ 399,727</u>	<u>\$ 14,871,557</u>
<u>118,031</u>	<u>8,568,717</u>	<u>509,755</u>	<u>1,247,273</u>	<u>1,810,182</u>	<u>-</u>	<u>399,727</u>	<u>14,871,557</u>
<u>\$ 118,031</u>	<u>\$ 8,568,717</u>	<u>\$ 509,755</u>	<u>\$ 1,247,273</u>	<u>\$ 1,810,182</u>	<u>\$ -</u>	<u>\$ 399,727</u>	<u>\$ 14,871,557</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
 Year Ended June 30, 2005

	Central Imperial	City Heights	College Grove
<b>REVENUES</b>			
Tax Increments.....	\$ 198,800	\$ 843,014	\$ 191,849
Interest.....	4,343	35,894	-
Other Revenue.....	-	12,900	-
<b>TOTAL REVENUES.....</b>	<b>203,143</b>	<b>891,808</b>	<b>191,849</b>
<b>EXPENDITURES</b>			
Debt Service:			
Principal.....	50,000	395,957	106,584
Interest.....	207,995	1,239,987	85,265
<b>TOTAL EXPENDITURES.....</b>	<b>257,995</b>	<b>1,635,944</b>	<b>191,849</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(54,852)</b>	<b>(744,136)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds.....	51,597	1,083,212	-
Transfers from Bond Proceeds.....	-	-	-
Transfers to Other Funds.....	(11,204)	(510,134)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>40,393</b>	<b>573,078</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(14,459)</b>	<b>(171,058)</b>	<b>-</b>
Fund Balances at July 1, 2004.....	281,698	2,121,691	-
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ 267,239</b>	<b>\$ 1,950,633</b>	<b>\$ -</b>



Gateway Center West	Horton Plaza	Mount Hope	North Bay	North Park	San Ysidro	Southcrest	Total
\$ 117,893	\$ 4,871,722	\$ 628,369	\$ 671,899	\$ 1,148,505	\$ 199,005	\$ 329,578	\$ 9,200,634
993	144,565	5,343	59,249	75,212	-	3,783	329,382
-	-	-	-	-	-	-	12,900
118,886	5,016,287	633,712	731,148	1,223,717	199,005	333,361	9,542,916
60,000	4,785,025	442,339	205,000	465,000	12,545	135,000	6,657,450
87,862	4,245,568	565,259	685,418	1,084,518	186,460	977,922	9,366,254
147,862	9,030,593	1,007,598	890,418	1,549,518	199,005	1,112,922	16,023,704
(28,976)	(4,014,306)	(373,886)	(159,270)	(325,801)	-	(779,561)	(6,480,788)
29,487	805,636	176,090	218,493	294,343	-	781,541	3,440,399
-	3,378,659	197,799	300,000	84,418	-	93,095	4,053,971
-	(5,000,000)	(59,124)	(900,000)	-	-	(141,918)	(6,622,380)
29,487	(815,705)	314,765	(381,507)	378,761	-	732,718	871,990
511	(4,830,011)	(59,121)	(540,777)	52,960	-	(46,843)	(5,608,798)
117,520	13,398,728	568,876	1,788,050	1,757,222	-	446,570	20,480,355
\$ 118,031	\$ 8,568,717	\$ 509,755	\$ 1,247,273	\$ 1,810,182	\$ -	\$ 399,727	\$ 14,871,557

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
June 30, 2005

	Barrio Logan	Central Imperial	City Heights
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 39,132	\$ 1,354,233	\$ 534,339
Receivables:			
Taxes.....	-	17,780	5,823
Accounts.....	-	3,630	-
Notes and Contracts.....	400,000	265,000	2,781,953
Interest.....	548	8,847	2,203
From Other Funds.....	-	12,732	-
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	-	-	-
Land Held for Resale.....	40,000	337,545	850,000
<b>TOTAL ASSETS.....</b>	<b>\$ 479,680</b>	<b>\$ 1,999,767</b>	<b>\$ 4,174,318</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 666,017	\$ 61,962	\$ 843,539
Deferred Revenue.....	400,000	-	870,700
Trust Liability.....	-	11,575	-
<b>TOTAL LIABILITIES.....</b>	<b>1,066,017</b>	<b>73,537</b>	<b>1,714,239</b>
<b>FUND BALANCES</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	40,000	337,545	850,000
Reserved for Encumbrances.....	2,207	244,145	1,890,503
Reserved for Working Capital Advances.....	-	-	-
Unreserved:			
Designated for Subsequent Years' Expenditures.....	-	1,153,663	-
Undesignated.....	(628,544)	190,877	(280,424)
<b>TOTAL FUND BALANCES.....</b>	<b>(586,337)</b>	<b>1,926,230</b>	<b>2,460,079</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 479,680</b>	<b>\$ 1,999,767</b>	<b>\$ 4,174,318</b>

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
\$ 36,637	\$ 197	\$ 7	\$ 37,639	\$ 15,101	\$ 3,666,029	\$ 252,650
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,534	1	256	307	-	30,455	1,751
29,868	-	-	672	-	8,892,100	-
-	-	-	-	-	275,000	-
-	-	-	-	-	-	-
5,018,500	-	-	165,033	-	-	366,285
<u>\$ 5,086,539</u>	<u>\$ 198</u>	<u>\$ 263</u>	<u>\$ 203,651</u>	<u>\$ 15,101</u>	<u>\$ 12,863,584</u>	<u>\$ 620,686</u>
\$ 354,746	\$ 104,583	\$ 37,708	\$ -	\$ 15,101	\$ 853,919	\$ -
-	-	-	15,792	-	25,000	-
-	-	-	-	-	-	-
354,746	104,583	37,708	15,792	15,101	878,919	-
5,018,500	-	-	165,033	-	-	366,285
5,416	1,620	31,641	3,222	19,824	2,590,033	-
-	-	-	-	-	275,000	-
-	-	-	19,123	-	8,890,903	254,401
(292,123)	(106,005)	(69,086)	481	(19,824)	228,729	-
4,731,793	(104,385)	(37,445)	187,859	-	11,984,665	620,686
<u>\$ 5,086,539</u>	<u>\$ 198</u>	<u>\$ 263</u>	<u>\$ 203,651</u>	<u>\$ 15,101</u>	<u>\$ 12,863,584</u>	<u>\$ 620,686</u>

Continued on next page.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**June 30, 2005**

	Mount Hope	Naval Training Center	North Bay
<b>ASSETS</b>			
Cash or Equity in Pooled Cash and Investments.....	\$ 258,748	\$ -	\$ 12,204
Receivables:			
Taxes.....	-	-	-
Accounts.....	-	-	-
Notes and Contracts.....	-	-	-
Interest.....	2,159	-	30
From Other Funds.....	206,373	-	985,506
Working Capital Advances:			
Centre City Development Corporation.....	-	-	-
Southeastern Economic Development Corporation.....	158,977	-	-
Land Held for Resale.....	446,199	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 1,072,456</b>	<b>\$ -</b>	<b>\$ 997,740</b>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 24,146	\$ 131,514	\$ 11,236
Deferred Revenue.....	-	-	-
Trust Liability.....	5,136	-	-
<b>TOTAL LIABILITIES.....</b>	<b>29,282</b>	<b>131,514</b>	<b>11,236</b>
<b>FUND EQUITY</b>			
Fund Balances:			
Reserved for Land Held for Resale.....	446,199	-	-
Reserved for Encumbrances.....	33,991	112,457	926,010
Reserved for Working Capital Advances.....	158,977	-	-
Unreserved:			
Designated for Subsequent Years' Expenditures.....	404,007	-	60,494
Undesignated.....	-	(243,971)	-
<b>TOTAL FUND EQUITY.....</b>	<b>1,043,174</b>	<b>(131,514)</b>	<b>986,504</b>
<b>TOTAL LIABILITIES AND FUND EQUITY.....</b>	<b>\$ 1,072,456</b>	<b>\$ -</b>	<b>\$ 997,740</b>

North Park	San Ysidro	Southcrest	Total
\$ 679,228	\$ 59,651	\$ 985,028	\$ 7,930,823
-	34,876	-	58,479
-	-	-	3,630
500,000	-	-	3,946,953
6,111	163	12,240	66,605
3,785,779	-	92,097	14,005,127
-	-	-	275,000
-	-	-	158,977
4,765,621	-	203,305	12,192,488
<u>\$ 9,736,739</u>	<u>\$ 94,690</u>	<u>\$ 1,292,670</u>	<u>\$ 38,638,082</u>
\$ 1,257,763	\$ 53,332	\$ 22,150	\$ 4,437,716
-	-	-	1,270,700
41,506	1,658	52,409	153,076
<u>1,299,269</u>	<u>54,990</u>	<u>74,559</u>	<u>5,861,492</u>
4,765,621	-	203,305	12,192,488
5,794,850	110,364	66,051	11,832,334
-	-	-	433,977
-	-	948,701	11,731,292
(2,123,001)	(70,664)	54	(3,413,501)
<u>8,437,470</u>	<u>39,700</u>	<u>1,218,111</u>	<u>32,776,590</u>
<u>\$ 9,736,739</u>	<u>\$ 94,690</u>	<u>\$ 1,292,670</u>	<u>\$ 38,638,082</u>

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
 Year Ended June 30, 2005

	Barrio Logan	Central Imperial	City Heights
<b>REVENUES</b>			
Tax Increments.....	\$ 159,997	\$ 722,236	\$ 1,902,835
Interest.....	2,299	23,143	7,501
Rents.....	-	-	-
Private Sources.....	15,000	444,852	253,678
Other Revenue.....	77	66,206	18,275
<b>TOTAL REVENUES.....</b>	<b>177,373</b>	<b>1,256,437</b>	<b>2,182,289</b>
<b>EXPENDITURES</b>			
Administration.....	269,239	1,225,568	2,138,709
Legal.....	2,488	106,040	31,204
Plans and Surveys.....	17,509	284,852	188,758
Acquisition Expense.....	-	-	25
Real Estate/Fixture Purchases.....	-	191,250	-
Property Management.....	56	99,860	54,283
Relocation.....	-	-	17,599
Rehabilitation.....	-	-	-
Site Clearance.....	-	-	-
Project Improvements.....	-	69,949	772,770
Promotions and Marketing.....	-	-	-
Bond Sale Expense.....	-	-	-
Program Management.....	-	66,087	-
ERAF Payments.....	-	-	-
City Capital Outlay.....	-	5,416	590,134
<b>TOTAL EXPENDITURES.....</b>	<b>289,292</b>	<b>2,049,022</b>	<b>3,793,482</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(111,919)</b>	<b>(792,585)</b>	<b>(1,611,193)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Bonds, Developer Loans and Notes.....	-	-	2,100,000
Loans from the City of San Diego.....	-	1,010,407	-
Transfers from Other Funds.....	-	948,363	510,134
Transfers from Bond Proceeds.....	-	84,812	-
Transfers to Other Funds.....	-	(944,244)	(152,566)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>1,099,338</b>	<b>2,457,568</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(111,919)</b>	<b>306,753</b>	<b>846,375</b>
Fund Balances at July 1, 2004.....	(474,418)	1,619,477	1,613,704
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ (586,337)</b>	<b>\$ 1,926,230</b>	<b>\$ 2,460,079</b>

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Horton Plaza	Linda Vista
\$ 188,422	\$ 50,483	\$ 343,479	\$ 9,151	\$ -	\$ 448,240	\$ 68,770
2,597	6	55	570	-	98,355	5,107
-	-	-	-	-	-	72,235
5,347,337	-	-	-	-	25,000	-
-	-	29	-	-	1,526,929	-
<u>5,538,356</u>	<u>50,489</u>	<u>343,563</u>	<u>9,721</u>	<u>-</u>	<u>2,098,524</u>	<u>146,112</u>
38,976	21,561	157,173	8,329	19,078	475,135	74,168
65,657	-	1,331	-	-	12,911	-
194,422	2,588	113,619	5,166	393,794	241,983	16,049
-	-	-	-	-	-	129
-	-	-	-	-	-	-
56	56	13	196	-	25,984	56
-	-	-	-	-	-	-
-	-	-	-	-	19,106	-
-	-	-	-	-	716,550	-
-	-	-	-	-	450,636	-
-	-	-	-	-	400	-
-	-	-	-	-	9,539	-
-	-	-	-	-	1,316,032	-
-	-	-	-	-	600,000	-
-	-	40,000	-	-	-	-
<u>299,111</u>	<u>24,205</u>	<u>312,136</u>	<u>13,691</u>	<u>412,872</u>	<u>3,868,276</u>	<u>90,402</u>
<u>5,239,245</u>	<u>26,284</u>	<u>31,427</u>	<u>(3,970)</u>	<u>(412,872)</u>	<u>(1,769,752)</u>	<u>55,710</u>
-	-	-	-	-	-	-
-	-	100,376	-	412,872	-	-
3,344	-	-	-	-	50,000	18,792
-	-	-	247	-	555,000	-
-	-	-	(96)	-	(50,000)	-
<u>3,344</u>	<u>-</u>	<u>100,376</u>	<u>151</u>	<u>412,872</u>	<u>555,000</u>	<u>18,792</u>
5,242,589	26,284	131,803	(3,819)	-	(1,214,752)	74,502
<u>(510,796)</u>	<u>(130,669)</u>	<u>(169,248)</u>	<u>191,678</u>	<u>-</u>	<u>13,199,417</u>	<u>546,184</u>
<u>\$ 4,731,793</u>	<u>\$ (104,385)</u>	<u>\$ (37,445)</u>	<u>\$ 187,859</u>	<u>\$ -</u>	<u>\$ 11,984,665</u>	<u>\$ 620,686</u>

Continued on next page.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
 Year Ended June 30, 2005

	Mount Hope	Naval Training Center	North Bay
<b>REVENUES</b>			
Tax Increments.....	\$ 172,309	\$ 723,023	\$ 879,747
Interest.....	9,107	-	-
Rents.....	-	-	1,391
Private Sources.....	-	-	6,000
Other Revenue.....	-	1,818	105
<b>TOTAL REVENUES.....</b>	<b>181,416</b>	<b>724,841</b>	<b>887,243</b>
<b>EXPENDITURES</b>			
Administration.....	232,919	485,488	831,582
Legal.....	5,742	2,517	10,921
Plans and Surveys.....	40,206	331,980	212,237
Acquisition Expense.....	-	36,013	25,425
Real Estate/Fixture Purchases.....	-	-	-
Property Management.....	9,167	56	56
Relocation.....	-	-	-
Rehabilitation.....	-	-	-
Site Clearance.....	-	-	-
Project Improvements.....	3,309	919,639	2,095,597
Promotions and Marketing.....	-	-	-
Bond Sale Expense.....	-	-	-
Program Management.....	9,890	-	-
ERAF Payments.....	-	-	-
City Capital Outlay.....	-	-	145,000
<b>TOTAL EXPENDITURES.....</b>	<b>301,233</b>	<b>1,775,693</b>	<b>3,320,818</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(119,817)</b>	<b>(1,050,852)</b>	<b>(2,433,575)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Bonds, Developer Loans and Notes.....	-	-	1,735,391
Loans from the City of San Diego.....	-	919,639	-
Transfers from Other Funds.....	-	-	300,000
Transfers from Bond Proceeds.....	168,953	-	370,359
Transfers to Other Funds.....	(313,177)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(144,224)</b>	<b>919,639</b>	<b>2,405,750</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(264,041)</b>	<b>(131,213)</b>	<b>(27,825)</b>
Fund Balances at July 1, 2004.....	1,307,215	(301)	1,014,329
<b>FUND BALANCES AT JUNE 30, 2005.....</b>	<b>\$ 1,043,174</b>	<b>\$ (131,514)</b>	<b>\$ 986,504</b>



North Park	San Ysidro	Southcrest	Total
\$ 821,784	\$ 865,444	\$ 274,693	\$ 7,630,613
10,067	492	30,216	189,515
-	-	-	73,626
2,179,076	-	1,010,484	9,281,427
150,661	-	371,942	2,136,042
<u>3,161,588</u>	<u>865,936</u>	<u>1,687,335</u>	<u>19,311,223</u>
626,898	523,606	472,245	7,600,674
495,947	6,564	41,827	783,149
564,369	142,624	39,459	2,789,615
53,075	14,170	-	128,837
-	-	-	191,250
3,835	56	21,962	215,692
11,940	-	-	29,539
3,508,285	-	-	3,527,391
-	-	-	716,550
3,084,806	15,551	170,997	7,583,254
-	-	-	400
-	-	-	9,539
-	-	21,660	1,413,669
-	-	-	600,000
90,000	160,643	-	1,031,193
<u>8,439,155</u>	<u>863,214</u>	<u>768,150</u>	<u>26,620,752</u>
<u>(5,277,567)</u>	<u>2,722</u>	<u>919,185</u>	<u>(7,309,529)</u>
3,335,000	-	-	7,170,391
734,776	-	39,620	3,217,690
-	-	-	1,830,633
9,577,282	-	26,352	10,783,005
(1,222,884)	-	(699,015)	(3,381,982)
<u>12,424,174</u>	<u>-</u>	<u>(633,043)</u>	<u>19,619,737</u>
7,146,607	2,722	286,142	12,310,208
<u>1,290,863</u>	<u>36,978</u>	<u>931,969</u>	<u>20,466,382</u>
<u>\$ 8,437,470</u>	<u>\$ 39,700</u>	<u>\$ 1,218,111</u>	<u>\$ 32,776,590</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California, as of and for the year ended June 30, 2005, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated February 21, 2008. Our report also includes an explanatory paragraph indicating that the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposits and Investment Risk Disclosures, an amendment of GASB Statement No.3*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Agency's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the status of prior year findings and recommendations (findings related to financial statements) as items 2004-1 and 2003-1. These conditions reported in the prior two years also existed in the current year.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are material weaknesses.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the State Controller's Office and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying current year findings and recommendations as Items 2005-a and 2005-b.

This report is intended solely for the information and use of the Board of Directors, management of the Agency, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Jini & O'Connell LLP*

Certified Public Accountants

Los Angeles, California  
February 21, 2008

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2005

**Compliance Findings:**

***2005-a Annual Report Submission to the City Council***

The California Health and Safety Code section 33080.1 states that “every redevelopment agency shall submit an annual report to its legislative body within six months of the end of the agency’s fiscal year.” The annual report should include: “(1) an independent financial audit report for the previous fiscal year, (2) a fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5, (3) a description of the agency’s activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7, (4) a description of the agency’s progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year, (5) a list of, and status report on, all loans made by the redevelopment agency that are \$50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the agency, (6) a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.”

During the performance of procedures on the compliance requirements related to “Financial Disclosure and Reporting”, we noted that the Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2005 to its Board of Directors within six months of the end of that fiscal year. The Agency’s procedure was to complete all components of the annual report prior to submitting to the Board of Directors; however, not all components of the report were completed within six months of the end of the fiscal year due to a lack of personnel and an incomplete audit of the Agency’s financial statements.

We recommend that the Agency prepare and submit all required reports to the Board of Directors within six months of the fiscal year end. In the case an audit has not been completed, the Agency could submit an unaudited set of financials and indicate that since the financial report included unaudited numbers, the submitted numbers could change when the actual audit is completed.

*Management Response:*

We agree. The Agency plans to submit the required reports to the City Council in future years within six months of the end of each respective fiscal year. The City will also ensure the City Council is made aware if the reports are still “unaudited” at the time of submission.

***2005-b Monitoring of Available Affordable Housing***

In accordance with the California Health and Safety Code Section 33418, “an agency shall monitor on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to any provisions of this part. As part of this monitoring, an agency shall require owners or managers of the housing to submit an annual report to the agency. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants, and for each owner-occupied unit whether there was a change in ownership from the prior year

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
CURRENT YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2005

*and, if so, the income and family size of the new owners. The income information required by this section shall be supplied by the tenant in a certified statement on a form provided by the agency."*

In order to comply with the "Affordable Housing – Housing Assistance" compliance requirements that include monitoring of available affordable housing, the Agency has entered into an Administration Agreement with the San Diego Housing Commission (SDHC), who actually performs the required monitoring activities on behalf of the Agency for Agency-subsidized low and moderate housing projects. SDHC provides monitoring services on low and moderate income housing activities for the Agency. SDHC then submits an annual report of its monitoring activities to the Agency for each project under agreement.

During the performance of our procedures on compliance related to "Affordable Housing – Housing Assistance", we noted that the Agency received the monitoring reports prepared by SDHC for fiscal year 2005, dated January 2006 in March of 2006. Since all reporting is required to be submitted by the Agency within 6 months of the end of the fiscal year, not only was this monitoring information too late to meet the regulatory reporting requirements, but this information was received significantly after the end of the fiscal year, too late for the Agency to take meaningful action as a result of this monitoring report.

We recommend that the Agency obtain monitoring reports on a timelier basis and therefore be in a position to utilize the results of these monitoring reports. This will ensure that the Agency is in compliance with the California Health & Safety Code requirements as well as improve internal controls over compliance. Additionally, we recommend the Agency be more involved in the monitoring process above and beyond the review of the annual reports provided by SDHC.

*Management Response:*

We agree. Since the addition of a new Affordable Housing Project Manager in November 2005, the Agency has become more involved in the monitoring process, including but not limited to, periodic title searches on affordable for-sale properties to ensure continued owner occupancy and providing assistance to the San Diego Housing Commission with regard to setting rents based upon complex median income standards for projects with multiple funding sources. In addition, management-level-staff of the Agency (Redevelopment Division, SEDC and CCDC) and Housing Commission meet on a monthly basis to discuss, among other issues, affordable housing monitoring processes and strategies. Regarding the monitoring reports prepared by the San Diego Housing Commission, the Agency has established clear deadlines to ensure timely submission and review of these reports by adding a provision to the contract that states: "The Administrator shall submit annual reports of its monitoring activities pursuant to this Agreement to the Agency, which may include the most recent Certification of Continuing Program Compliance report, no later than July 31st for the prior fiscal year (July 1- June 30)."

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2005

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Findings related to the financial statements

**Reference Number:** 2004-1

**Financial Statement Area:** *Accounting for Land Held for Resale*

**Audit Finding:** Although the management companies properly recorded land-held-for-resale transactions in their internal records, the management companies did not timely communicate sales or transfers of land-held-for-resale information to the Agency resulting in financial statement errors. For example, the Agency had to reduce its reported land-held-for-resale balance by \$33 million to its fiscal years ended June 30, 2003 and June 30, 2004 beginning balances.

**Status of Corrective Action:** This finding was partially corrected during the fiscal year ended June 30, 2005. Prior to the issuance of this report, revised procedures were implemented, including confirmations of land inventory balances to component units and revised procedures for monitoring the effects of various Developer Disposition Agreements on the status of land held in inventory.

**Reference Number:** 2003-1

**Financial Statement Area:** *Material Weakness in Internal Controls over Financial Reporting*

**Audit Finding:** There were several internal control deficiencies that resulted in numerous errors and restatements of previously issued financial statements. Some of the deficiencies noted were as follows:

- Improper financial statement presentation of debt transactions
- Failure to properly record certain loan transactions
- Failure to transfer completed projects out of CIP and begin depreciating assets
- Improper classification of assets
- Improper valuations of land held for resale
- Incomplete capture of capitalizable expenditures
- Failure to recognize certain revenues that met applicable revenue recognition criteria.

**Status of Corrective Action:** In progress. This finding was not corrected during the fiscal year ended June 30, 2005. However, prior to the issuance of this report, several modifications to the financial reporting process and control environment were made. These modifications include the hiring of new management to oversee financial reporting and the implementation of revised policies, procedures, and training for employees. Notwithstanding the improvements made prior to the issuance of this report, many more improvements need to be made to financial reporting controls in order to mitigate fully all aspects of the finding.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2005

---

Findings related to compliance

**Reference Number:**

**2004-a**

**Compliance Area:**

***20% Tax Increment Allocation***

**Audit Finding:**

During our compliance audit work, we noted that the Redevelopment Agency of the City of San Diego (Agency) deposited 20% of the net tax increment rather than the gross amount (*California Health and Safety Code section 33334.6*) allocated to the Agency by the County of San Diego (the County). This error was caused by the Agency's lack of written policies and procedures to aid personnel in calculating the 20% tax increment allocations to the Agency's 16 housing funds. As such, the Agency's housing funds did not receive sufficient funds to expend on low and moderate housing activities in the Agency's project areas.

**Status of Corrective Action:**

RDA was found to be in compliance with this requirement in the fiscal year ended June 30, 2005.

**Reference Number:**

**2004-b**

**Compliance Area:**

***Annual Report Submission to the City Council***

**Audit Finding:**

The Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2003 to the Board of Directors within six months of the end of the fiscal year, as required by the California Health and Safety Code section 33080.1. Not all components of the report were completed within six months of the end of the fiscal year due to a lack of personnel and an incomplete audit of the Agency's financial statements.

**Status of Corrective Action:**

Not corrected during fiscal year ended June 30, 2005. See current year finding 2005-a.

**Reference Number:**

**2004-c**

**Compliance Area:**

***Monitoring of Available Affordable Housing***

**Audit Finding:**

The Agency did not receive the monitoring reports prepared by the San Diego Housing Commission (SDHC) for the fiscal year ended June 30, 2004 (*California Health and Safety Code Section 33418*). The Agency obtained the report from SDHC subsequent to repeated requests from the auditor which indicates that the Agency was not actively monitoring the levels of available affordable housings to low and moderate income households.

**Status of Corrective Action:**

Not resolved. See current year finding 2005-b.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2005

<b>Reference Number:</b>	<b>2004-d</b>
<b>Compliance Area:</b>	<b><i>Real Property Acquisitions</i></b>
<b>Audit Finding:</b>	The Agency was unable to provide a complete and detailed listing of properties held by the Agency at June 30, 2004 that were acquired using resources from the Low and Moderate Income Housing Funds. We noted that there was a lack of written policies and procedures and assignment of appropriate personnel to the development of the Agency's annual report to the Board of Directors, which includes the detailed listing of properties held by the Agency. Without the detailed listing of properties acquired using resources from the Low and Moderate Income Housing Funds, the Agency is not in compliance with California Health and Safety Code Section 33334.16.
<b>Status of Corrective Action:</b>	Corrected during fiscal year ended June 30, 2005.
<b>Reference Number:</b>	<b>2004-e</b>
<b>Compliance Area:</b>	<b><i>Pledging of Collateral</i></b>
<b>Audit Finding:</b>	While tax increment revenues from the Housing Fund were pledged as collateral for new debt issuances during the fiscal year ended June 30, 2004, the Agency did not allocate any portions of the debt proceeds to the Housing Fund, as required. The Agency was unaware of any such requirements. As such, the Agency's various housing funds are understated for the amount of debt proceeds that were not appropriately allocated at the time of debt issuance.
<b>Status of Corrective Action:</b>	Corrected during fiscal year ended June 30, 2005.
<b>Reference Number:</b>	<b>2004-f</b>
<b>Compliance Area:</b>	<b><i>Conflict of Interest</i></b>
<b>Audit Finding:</b>	The Agency did not receive 1 out of the 40 forms selected for testing. The Agency's policy is to penalize individuals that do not submit Statements of Economic Interest in a timely fashion; however, we noted that the Agency did not strictly enforce this policy. This violates <i>California Government Code Section 87300</i> .
<b>Status of Corrective Action:</b>	Corrected in fiscal year ended June 30, 2005
<b>Reference Number:</b>	<b>2003-a</b>
<b>Compliance Area:</b>	<b><i>20% Tax Increment Allocation</i></b>
<b>Audit Finding:</b>	The Agency deposited 20% of the net tax increment revenues rather than the gross amount as required by California Health and Safety Code Section 3334.6 (c)
<b>Status of Corrective Action:</b>	Corrected in the fiscal year ended June 30, 2005.



REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2005

<b>Reference Number:</b>	<b>2003-b</b>
Compliance Area:	<i>Annual Report Submission to the City Council</i>
Audit Finding:	The Agency did not prepare and submit a complete annual report for the fiscal year ended June 30, 2002 to the Board of Directors within six months of the end of the fiscal year as required by the California Health and Safety Code section 33080.1.
Status of Corrective Action:	Not corrected during fiscal year ended June 30, 2005. See current year finding 2005-a.
<b>Reference Number:</b>	<b>2003-c</b>
Compliance Area:	<i>Monitoring of Available Affordable Housing</i>
Audit Finding:	The Agency was unable to provide any monitoring reports received from owners or managers of affordable housing to low and moderate income households or demonstrate that any monitoring had been performed.
Status of Corrective Action:	Partially implemented. See current year finding 2005-b.
<b>Reference Number:</b>	<b>2003-d</b>
Compliance Area:	<i>Real Property Acquisitions</i>
Audit Finding:	The Agency was unable to provide a complete and detailed listing of properties held by the Agency at June 30, 2003.
Status of Corrective Action:	Corrected during fiscal year ended June 30, 2005.
<b>Reference Number:</b>	<b>2003-f</b>
Compliance Area:	<i>Pledging of Collateral</i>
Audit Finding:	The Agency did not allocate any portions of debt proceeds from the issuances of new debt whereby tax increment revenues from housing funds were pledged as collateral.
Status of Corrective Action:	Corrected during fiscal year ended June 30, 2005.
<b>Reference Number:</b>	<b>2003-g</b>
Compliance Area:	<i>Conflict of Interest</i>
Audit Finding:	The Agency was unable to provide 3 out of 80 Statements of Economic Interests. Additionally, 8 out of the 77 forms provided were submitted late by the respondents.
Status of Corrective Action:	Corrected in fiscal year ended June 30, 2005.

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SUPPLEMENTAL INFORMATION SECTION  
(UNAUDITED)

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Schedule of Changes to Loans  
from the City of San Diego

**SCHEDULE OF CHANGES TO LOANS  
FROM THE CITY OF SAN DIEGO  
Year Ended June 30, 2005**

**CHANGES IN PRINCIPAL DUE BY PROJECT AREA**

	Balance July 1, 2004	Additions*	Repayments	Balance June 30, 2005
Barrio Logan.....	\$ 10,952,041	\$ 1,199,000	\$ -	\$ 12,151,041
Central Imperial.....	17,055,746	1,010,407	-	18,066,153
Centre City.....	48,082,278	92,772	4,284,408	43,890,642
City Heights.....	8,526,566	1,232,700	-	9,759,266
College Community.....	721,591	-	-	721,591
College Grove.....	40,963	-	-	40,963
Crossroads.....	691,832	100,376	-	792,208
Gateway Center West.....	6,129,466	-	-	6,129,466
Grantville.....	-	412,873	-	412,873
Horton Plaza.....	3,778,115	-	3,455,025	323,090
Linda Vista.....	1,945,141	-	-	1,945,141
Mount Hope.....	4,225,652	-	307,338	3,918,314
Naval Training Center.....	1,489,990	919,639	-	2,409,629
North Bay.....	-	1,735,391	-	1,735,391
North Park.....	1,300,930	734,776	-	2,035,706
San Ysidro.....	775,128	-	-	775,128
Southcrest.....	9,871,522	39,620	-	9,911,142
Total Principal Due	<u>\$ 115,586,961</u>	<u>\$ 7,477,554</u>	<u>\$ 8,046,771</u>	<u>\$ 115,017,744</u>

\*Additions include a recharacterization of \$2,431,700 from City Notes Payable to City Loans Payable  
(See Note 5c to the Basic Financial Statements).

**CHANGES IN INTEREST DUE BY PROJECT AREA**

	Balance July 1, 2004	Additions	Repayments	Balance June 30, 2005
Barrio Logan.....	\$ 8,884,835	\$ 844,466	\$ -	\$ 9,729,301
Central Imperial.....	7,552,017	1,053,657	-	8,605,674
Centre City.....	59,330,491	2,759,188	499,013	61,590,666
City Heights.....	4,903,887	705,917	149,614	5,460,190
College Community.....	619,593	43,296	-	662,889
College Grove.....	15,553	2,458	-	18,011
Crossroads.....	63,491	44,521	-	108,012
Gateway Center West.....	11,972,270	367,768	-	12,340,038
Grantville.....	-	12,447	-	12,447
Horton Plaza.....	1,646,770	123,036	1,769,806	-
Linda Vista.....	3,712,336	116,708	-	3,829,044
Mount Hope.....	505,879	59,213	87,661	477,431
Naval Training Center.....	721,196	89,399	-	810,595
North Bay.....	-	52,062	-	52,062
North Park.....	917,723	100,100	-	1,017,823
San Ysidro.....	662,576	46,508	-	709,084
Southcrest.....	8,523,978	593,480	699,003	8,418,455
Total Interest Due	<u>\$ 110,032,595</u>	<u>\$ 7,014,224</u>	<u>\$ 3,205,097</u>	<u>\$ 113,841,722</u>

## Assessed Valuations

**BARRIO LOGAN REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2004-05 (BASE YEAR 1991-92)**  
**(UNAUDITED)**

	Base Year 1991-92	Revised Base Year 1991-92	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 32,772	\$ 37,330	\$ 41,539
Public Utilities - State Assessed.....	2,829	2,608	236
Total Secured Valuation.....	35,601	39,938	41,775
Unsecured - Locally Assessed.....	4,710	4,692	2,583
Total Gross Valuation.....	40,311	44,630	44,358
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	3,664	3,664	7,746
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	3,664	3,664	7,746
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	29,108	33,666	33,793
Public Utilities - State Assessed.....	2,829	2,608	236
Net Secured.....	31,937	36,274	34,029
Unsecured - Locally Assessed.....	4,710	4,692	2,583
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 36,647	\$ 40,966	\$ 36,612
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			(4,354)
Percentage Increase (Decrease) Over Base Year.....			-10.63%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 217	\$ 217	\$ 217
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	217	217	217
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	28,891	33,449	33,576
Public Utilities - State Assessed.....	2,829	2,608	236
Net Secured.....	31,720	36,057	33,812
Unsecured - Locally Assessed.....	4,710	4,692	2,583
NET ASSESSED VALUATION.....	\$ 36,430	\$ 40,749	\$ 36,395



Revised Base Year 1991-92	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
\$ 37,013 2,608	\$ 42,711 260	\$ 43,675 378	\$ 45,664 411	\$ 46,178 420	\$ 49,720 429	\$ 51,543 386	\$ 56,030 334	\$ 74,368 318
39,621 4,692	42,971 2,630	44,053 3,924	46,075 5,926	46,598 5,889	50,149 6,948	51,929 3,561	56,364 5,414	74,686 4,877
44,313	45,601	47,977	52,001	52,487	57,097	55,490	61,778	79,563
3,664 -	7,996 -	8,216 713	8,634 1,048	8,356 1,233	8,501 2,362	7,621 0	7,834 1,441	12,410 1,184
3,664	7,996	8,929	9,682	9,589	10,863	7,621	9,275	13,594
33,349 2,608	34,715 260	35,459 378	37,030 411	37,822 420	41,219 429	43,922 386	48,196 334	61,958 318
35,957 4,692	34,975 2,630	35,837 3,211	37,441 4,878	38,242 4,656	41,648 4,586	44,308 3,561	48,530 3,973	62,276 3,693
\$ 40,649	\$ 37,605	\$ 39,048	\$ 42,319	\$ 42,898	\$ 46,234	\$ 47,869	\$ 52,503	\$ 65,969
	(3,044)	(1,601)	1,670	2,249	5,585	7,220	11,854	25,320
	-7.49%	-3.94%	4.11%	5.53%	13.74%	17.76%	29.16%	62.29%
\$ 217 -	\$ 224 -	\$ 224 -	\$ 217 -	\$ 217 -	\$ 217 -	\$ 217 -	\$ 189 -	\$ 175 -
217	224	224	217	217	217	217	189	175
- -	- -	- -	- -	- -	- -	- -	- -	- -
33,132 2,608	34,491 260	35,235 378	36,813 411	37,605 420	41,002 429	43,705 386	48,007 334	61,783 318
35,740 4,692	34,751 2,630	35,613 3,211	37,224 4,878	38,025 4,656	41,431 4,586	44,091 3,561	48,341 3,973	62,101 3,693
\$ 40,432	\$ 37,381	\$ 38,824	\$ 42,102	\$ 42,681	\$ 46,017	\$ 47,652	\$ 52,314	\$ 65,794

**CENTRAL IMPERIAL REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	Base Year 1992-93	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 94,838	\$ 96,903	\$ 97,584
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	94,838	96,903	97,584
Unsecured - Locally Assessed.....	2,692	2,868	1,431
Total Gross Valuation.....	97,530	99,771	99,015
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	6,693	12,981	16,244
Unsecured - Locally Assessed.....	-	115	137
Total Exemptions.....	6,693	13,096	16,381
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	88,145	83,922	81,340
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	88,145	83,922	81,340
Unsecured - Locally Assessed.....	2,692	2,753	1,294
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 90,837</b>	<b>\$ 86,675</b>	<b>\$ 82,634</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(4,162)	(8,203)
Percentage Increase (Decrease) Over Base Year.....		-4.58%	-9.03%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,033	\$ 1,039	\$ 1,219
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,033	1,039	1,219
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	87,112	82,883	80,121
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	87,112	82,883	80,121
Unsecured - Locally Assessed.....	2,692	2,753	1,294
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 89,804</b>	<b>\$ 85,636</b>	<b>\$ 81,415</b>

1996-97	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02
\$ 96,170	\$ 97,516	\$ 67,688	\$ 83,275	\$ 88,975	\$ 102,297	\$ 114,448
-	-	-	-	-	-	-
96,170	97,516	67,688	83,275	88,975	102,297	114,448
1,857	1,558	2,693	1,738	1,997	2,240	3,412
98,027	99,074	70,381	85,013	90,972	104,537	117,860
15,218	15,202	6,693	14,133	10,006	16,120	14,351
86	-	-	16	187	76	462
15,304	15,202	6,693	14,149	10,193	16,196	14,813
80,952	82,314	60,995	69,142	78,969	86,177	100,097
-	-	-	-	-	-	-
80,952	82,314	60,995	69,142	78,969	86,177	100,097
1,771	1,558	2,693	1,722	1,810	2,164	2,950
\$ 82,723	\$ 83,872	\$ 63,688	\$ 70,864	\$ 80,779	\$ 88,341	\$ 103,047
(8,114)	(6,965)		7,176	17,091	24,653	39,359
-8.93%	-7.67%		11.27%	26.84%	38.71%	61.80%
\$ 1,347	\$ 1,416	\$ 1,033	\$ 1,447	\$ 1,541	\$ 1,636	\$ 1,636
-	-	-	-	-	-	-
1,347	1,416	1,033	1,447	1,541	1,636	1,636
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461
-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461
1,771	1,558	2,693	1,722	1,810	2,164	2,950
\$ 81,376	\$ 82,456	\$ 62,655	\$ 69,417	\$ 79,238	\$ 86,705	\$ 101,411

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**CENTRAL IMPERIAL REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 123,326	\$ 137,669	\$ 160,513
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	123,326	137,669	160,513
Unsecured - Locally Assessed.....	3,261	5,195	4,753
Total Gross Valuation.....	126,587	142,864	165,266
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	14,935	16,287	19,393
Unsecured - Locally Assessed.....	5	290	391
Total Exemptions.....	14,940	16,577	19,784
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	108,391	121,382	141,120
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	108,391	121,382	141,120
Unsecured - Locally Assessed.....	3,256	4,905	4,362
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 111,647</b>	<b>\$ 126,287</b>	<b>\$ 145,482</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	47,959	62,599	81,794
Percentage Increase (Decrease) Over Base Year.....	75.30%	98.29%	128.43%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,944	\$ 1,946	\$ 1,994
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,944	1,946	1,994
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	106,447	119,436	139,126
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	106,447	119,436	139,126
Unsecured - Locally Assessed.....	3,256	4,905	4,362
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 109,703</b>	<b>\$ 124,341</b>	<b>\$ 143,488</b>

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**CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 2**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2004-05 (BASE YEAR 1999-2000)**  
**(UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 16,115	\$ 16,080	\$ 17,367
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	16,115	16,080	17,367
Unsecured - Locally Assessed.....	27	172	148
Total Gross Valuation.....	16,142	16,252	17,515
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,105	1,192	1,214
Unsecured - Locally Assessed.....	-	145	129
Total Exemptions.....	1,105	1,337	1,343
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	15,010	14,888	16,153
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	15,010	14,888	16,153
Unsecured - Locally Assessed.....	27	27	19
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 15,037	\$ 14,915	\$ 16,172
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(122)	1,135
Percentage Increase (Decrease) Over Base Year.....		-0.81%	7.55%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 721	\$ 721	\$ 714
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	721	721	714
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	14,289	14,167	15,439
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	14,289	14,167	15,439
Unsecured - Locally Assessed.....	27	27	19
NET ASSESSED VALUATION.....	\$ 14,316	\$ 14,194	\$ 15,458

2001-02	2002-03	2003-04	2004-05
\$ 18,508	\$ 32,461	\$ 37,450	\$ 51,100
-	-	-	-
18,508	32,461	37,450	51,100
247	1,399	2,340	2,532
18,755	33,860	39,790	53,632
1,234	1,156	1,180	1,201
229	-	184	166
1,463	1,156	1,364	1,367
17,274	31,305	36,270	49,899
-	-	-	-
17,274	31,305	36,270	49,899
18	1,399	2,156	2,366
\$ 17,292	\$ 32,704	\$ 38,426	\$ 52,265
2,255	17,667	23,389	37,228
15.00%	117.49%	155.54%	247.58%
\$ 714	\$ 742	\$ 805	\$ 826
-	-	-	-
714	742	805	826
-	-	-	-
-	-	-	-
-	-	-	-
16,560	30,563	35,465	49,073
-	-	-	-
16,560	30,563	35,465	49,073
18	1,399	2,156	2,366
\$ 16,578	\$ 31,962	\$ 37,621	\$ 51,439

CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 3  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 2001-02 TO 2004-05 (BASE YEAR 2001-02)  
 (UNAUDITED)

	Base Year 2001-02	2001-02	2002-03
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 3,215	\$ 10,279	\$ 14,131
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	-	2,022
Total Gross Valuation.....	3,215	10,279	16,153
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	3,215	10,279	14,131
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	-	2,022
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 3,215	\$ 10,279	\$ 16,153
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		7,064	12,938
Percentage Increase (Decrease) Over Base Year.....		219.72%	402.43%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	3,215	10,279	14,131
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	3,215	10,279	14,131
Unsecured - Locally Assessed.....	-	-	2,022
NET ASSESSED VALUATION.....	\$ 3,215	\$ 10,279	\$ 16,153



<u>2003-04</u>	<u>2004-05</u>
\$ 14,793	\$ 17,357
-	-
14,793	17,357
1,982	1,835
16,775	19,192
-	-
-	-
-	-
14,793	17,357
-	-
14,793	17,357
1,982	1,835
\$ 16,775	\$ 19,192
13,560	15,977
421.77%	496.95%
\$ -	\$ -
-	-
-	-
-	-
-	-
-	-
14,793	17,357
-	-
14,793	17,357
1,982	1,835
\$ 16,775	\$ 19,192

**CENTRE CITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	Base Year 1992-93	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,090,174	\$ 972,637	\$ 927,021
Public Utilities - State Assessed.....	3,465	1,862	2,181
Total Secured Valuation.....	1,093,639	974,499	929,202
Unsecured - Locally Assessed.....	64,243	17,922	22,293
Total Gross Valuation.....	1,157,882	992,421	951,495
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	62,189	78,849	78,614
Unsecured - Locally Assessed.....	-	413	552
Total Exemptions.....	62,189	79,262	79,166
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,027,985	893,788	848,407
Public Utilities - State Assessed.....	3,465	1,862	2,181
Net Secured.....	1,031,450	895,650	850,588
Unsecured - Locally Assessed.....	64,243	17,509	21,741
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,095,693</b>	<b>\$ 913,159</b>	<b>\$ 872,329</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(182,534)	(223,364)
Percentage Increase (Decrease) Over Base Year.....		-16.66%	-20.39%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 714	\$ 805	\$ 812
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	714	805	812
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,027,271	892,983	847,595
Public Utilities - State Assessed.....	3,465	1,862	2,181
Net Secured.....	1,030,736	894,845	849,776
Unsecured - Locally Assessed.....	64,243	17,509	21,741
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,094,979</b>	<b>\$ 912,354</b>	<b>\$ 871,517</b>

1996-97	Revised Base Year 1992-93	1997-98	1998-99	1999-2000	2000-01	2001-02
\$ 906,105 2,521	\$ 1,088,721 3,464	\$ 917,921 2,747	\$ 984,645 3,855	\$ 1,125,712 4,094	\$ 1,290,546 4,177	\$ 1,467,297 -
908,626 17,593	1,092,185 64,244	920,668 20,602	988,500 56,892	1,129,806 74,362	1,294,723 87,258	1,467,297 93,294
926,219	1,156,429	941,270	1,045,392	1,204,168	1,381,981	1,560,591
87,884 97	62,019 -	90,800 987	87,662 4,637	94,089 6,129	104,469 6,919	100,954 9,403
87,981	62,019	91,787	92,299	100,218	111,388	110,357
818,221 2,521	1,026,702 3,464	827,121 2,747	896,983 3,855	1,031,623 4,094	1,186,077 4,177	1,366,343 -
820,742 17,496	1,030,166 64,244	829,868 19,615	900,838 52,255	1,035,717 68,233	1,190,254 80,339	1,366,343 83,891
\$ 838,238	\$ 1,094,410	\$ 849,483	\$ 953,093	\$ 1,103,950	\$ 1,270,593	\$ 1,450,234
(257,455)		(244,927)	(141,317)	9,540	176,183	355,824
-23.50%		-22.38%	-12.91%	0.87%	16.10%	32.51%
\$ 902 -	\$ 714 -	\$ 980 -	\$ 1,077 -	\$ 1,182 -	\$ 1,133 -	\$ 1,133 61
902	714	980	1,077	1,182	1,133	1,194
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
817,319 2,521	1,025,988 3,464	826,141 2,747	895,906 3,855	1,030,441 4,094	1,184,944 4,177	1,365,210 -
819,840 17,496	1,029,452 64,244	828,888 19,615	899,761 52,255	1,034,535 68,233	1,189,121 80,339	1,365,210 83,830
\$ 837,336	\$ 1,093,696	\$ 848,503	\$ 952,016	\$ 1,102,768	\$ 1,269,460	\$ 1,449,040

Continue on next page.

**CENTRE CITY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
Secured - Locally Assessed.....	\$ 1,679,241	\$ 2,082,010	\$ 2,668,045
Public Utilities - State Assessed.....	3,856	4,894	6,958
Total Secured Valuation.....	1,683,097	2,086,904	2,675,003
Unsecured - Locally Assessed.....	99,582	130,423	112,963
Total Gross Valuation.....	1,782,679	2,217,327	2,787,966
Secured - Locally Assessed.....	104,775	106,992	133,719
Unsecured - Locally Assessed.....	1,074	7,810	8,997
Total Exemptions.....	105,849	114,802	142,716
Secured - Locally Assessed.....	1,574,466	1,975,018	2,534,326
Public Utilities - State Assessed.....	3,856	4,894	6,958
Net Secured.....	1,578,322	1,979,912	2,541,284
Unsecured - Locally Assessed.....	98,508	122,613	103,966
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,676,830</b>	<b>\$ 2,102,525</b>	<b>\$ 2,645,250</b>
Net Assessed Valuation Increase (Decrease) Over Base Year.....	582,420	1,008,115	1,550,840
Percentage Increase (Decrease) Over Base Year.....	53.22%	92.11%	141.71%
Secured - Locally Assessed.....	\$ 1,248	\$ 1,351	\$ 2,794
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,248	1,351	2,794
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
Secured - Locally Assessed.....	1,573,218	1,973,667	2,531,532
Public Utilities - State Assessed.....	3,856	4,894	6,958
Net Secured.....	1,577,074	1,978,561	2,538,490
Unsecured - Locally Assessed.....	98,508	122,613	103,966
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,675,582</b>	<b>\$ 2,101,174</b>	<b>\$ 2,642,456</b>



CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1976-77)  
 (UNAUDITED)

	Base Year 1976-77	1995-96	1996-97
<b>GROSS</b>			
Secured - Locally Assessed.....	\$ 19,715	\$ 454,634	\$ 431,513
Public Utilities - State Assessed.....	17,131	1,550	1,473
Total Secured Valuation.....	36,846	456,184	432,986
Unsecured - Locally Assessed.....	18,870	57,303	53,503
Total Gross Valuation.....	55,716	513,487	486,489
<b>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</b>			
Secured - Locally Assessed.....	1,507	3,521	3,558
Unsecured - Locally Assessed.....	-	157	22
Total Exemptions.....	1,507	3,678	3,580
<b>NET ASSESSED VALUATIONS FOR TAX RATE</b>			
Secured - Locally Assessed.....	18,208	451,113	427,955
Public Utilities - State Assessed.....	17,131	1,550	1,473
Net Secured.....	35,339	452,663	429,428
Unsecured - Locally Assessed.....	18,870	57,146	53,481
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 54,209	\$ 509,809	\$ 482,909
<b>INCREMENT</b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		455,600	428,700
Percentage Increase (Decrease) Over Base Year.....		840.45%	790.83%
<b>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</b>			
Secured - Locally Assessed.....	\$ -	\$ 839	\$ 802
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	839	802
<b>BUSINESS INVENTORY EXEMPTIONS</b>			
Secured - Locally Assessed.....	178	-	-
Unsecured - Locally Assessed.....	1,602	-	-
Total Business Inventory Exemptions.....	1,780	-	-
<b>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</b>			
Secured - Locally Assessed.....	18,030	450,274	427,153
Public Utilities - State Assessed.....	17,131	1,550	1,473
Net Secured.....	35,161	451,824	428,626
Unsecured - Locally Assessed.....	17,268	57,146	53,481
NET ASSESSED VALUATION.....	\$ 52,429	\$ 508,970	\$ 482,107

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
\$ 18,554 17,131	\$ 437,849 1,518	\$ 18,553 1,038	\$ 519,344 1,742	\$ 563,347 1,906	\$ 602,524 1,923	\$ 643,416 -
35,685 18,870	439,367 57,458	19,591 18,870	521,086 47,267	565,253 52,096	604,447 57,950	643,416 61,602
54,555	496,825	38,461	568,353	617,349	662,397	705,018
1,507 -	1,993 253	1,507 -	387 281	2,191 401	2,229 531	2,051 593
1,507	2,246	1,507	668	2,592	2,760	2,644
17,047 17,131	435,856 1,518	17,046 1,038	518,957 1,742	561,156 1,906	600,295 1,923	641,365 -
34,178 18,870	437,374 57,205	18,084 18,870	520,699 46,986	563,062 51,695	602,218 57,419	641,365 61,009
\$ 53,048	\$ 494,579	\$ 36,954	\$ 567,685	\$ 614,757	\$ 659,637	\$ 702,374
	441,531		530,731	577,803	622,683	665,420
	832.32%		1436.19%	1563.57%	1685.02%	1800.67%
\$ - -	\$ 860 -	\$ - -	\$ 868 -	\$ 927 -	\$ 966 -	\$ 966 -
-	860	-	868	927	966	966
178 1,602	- -	178 1,602	- -	- -	- -	- -
1,780	-	1,780	-	-	-	-
16,869 17,131	434,996 1,518	16,868 1,038	518,089 1,742	560,229 1,906	599,329 1,923	640,399 -
34,000 17,268	436,514 57,205	17,906 17,268	519,831 46,986	562,135 51,695	601,252 57,419	640,399 61,009
\$ 51,268	\$ 493,719	\$ 35,174	\$ 566,817	\$ 613,830	\$ 658,671	\$ 701,408

Continue on next page.

CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1976-77)  
 (UNAUDITED)

	2002-03	2003-04	Revised Base Year 1976-77	2004-05
<b>GROSS</b>				
Secured - Locally Assessed.....	\$ 718,080	\$ 940,867	\$ 18,553	\$ 1,176,861
Public Utilities - State Assessed.....	1,858	1,758	1,038	602
Total Secured Valuation.....	719,938	942,625	19,591	1,177,463
Unsecured - Locally Assessed.....	67,298	72,711	18,870	58,706
Total Gross Valuation.....	787,236	1,015,336	38,461	1,236,169
<b>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</b>				
Secured - Locally Assessed.....	2,122	2,163	1,507	312
Unsecured - Locally Assessed.....	-	653	0	795
Total Exemptions.....	2,122	2,816	1,507	1,107
<b>NET ASSESSED VALUATIONS FOR TAX RATE</b>				
Secured - Locally Assessed.....	715,958	938,704	17,046	1,176,549
Public Utilities - State Assessed.....	1,858	1,758	1,038	602
Net Secured.....	717,816	940,462	18,084	1,177,151
Unsecured - Locally Assessed.....	67,298	72,058	18,870	57,911
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 785,114	\$ 1,012,520	\$ 36,954	\$ 1,235,062
<b>INCREMENT</b>				
Net Assessed Valuation Increase (Decrease) Over Base Year.....	748,160	975,566		1,198,108
Percentage Increase (Decrease) Over Base Year.....	204.57%	2639.95%		3242.16%
<b>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</b>				
Secured - Locally Assessed.....	\$ 987	\$ 930	\$ -	\$ 980
Unsecured - Locally Assessed.....	-	-	-	-
Total Homeowners' Exemptions.....	987	930	-	980
<b>BUSINESS INVENTORY EXEMPTIONS</b>				
Secured - Locally Assessed.....	-	-	-	-
Unsecured - Locally Assessed.....	-	-	-	-
Total Business Inventory Exemptions.....	-	-	-	-
<b>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</b>				
Secured - Locally Assessed.....	714,971	937,774	17,046	1,175,569
Public Utilities - State Assessed.....	1,858	1,758	1,038	602
Net Secured.....	716,829	939,532	18,084	1,176,171
Unsecured - Locally Assessed.....	67,298	72,058	18,870	57,911
NET ASSESSED VALUATION.....	\$ 784,127	\$ 1,011,590	\$ 36,954	\$ 1,234,082



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**CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	Base Year 1982-83	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 31,114	\$ 80,408	\$ 84,131
Public Utilities - State Assessed.....	1,733	19	24
Total Secured Valuation.....	32,847	80,427	84,155
Unsecured - Locally Assessed.....	2,306	6,633	5,937
Total Gross Valuation.....	35,153	87,060	90,092
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	1,047	1,355	1,365
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	1,047	1,355	1,365
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	30,067	79,053	82,766
Public Utilities - State Assessed.....	1,733	19	24
Net Secured.....	31,800	79,072	82,790
Unsecured - Locally Assessed.....	2,306	6,633	5,937
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 34,106	\$ 85,705	\$ 88,727
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		51,599	54,621
Percentage Increase (Decrease) Over Base Year.....		151.29%	160.15%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ 7
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	7
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	30,067	79,053	82,759
Public Utilities - State Assessed.....	1,733	19	24
Net Secured.....	31,800	79,072	82,783
Unsecured - Locally Assessed.....	2,306	6,633	5,937
NET ASSESSED VALUATION.....	\$ 34,106	\$ 85,705	\$ 88,720

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
\$ 100,504 26	\$ 105,400 29	\$ 31,114 61	\$ 126,908 42	\$ 160,567 45	\$ 214,793 46	\$ 233,212 -
100,530 7,048	105,429 8,446	31,175 2,306	126,950 11,987	160,612 13,202	214,839 17,680	233,212 19,390
107,578	113,875	33,481	138,937	173,814	232,519	252,602
1,644 -	1,631 -	1,047 -	1,634 6	- 10	291 8	297 24
1,644	1,631	1,047	1,640	10	299	321
98,860 26	103,769 29	30,067 61	125,274 42	160,567 45	214,502 46	232,915 -
98,886 7,048	103,798 8,446	30,128 2,306	125,316 11,981	160,612 13,192	214,548 17,672	232,915 19,366
\$ 105,934	\$ 112,244	\$ 32,434	\$ 137,297	\$ 173,804	\$ 232,220	\$ 252,281
71,828	78,138		104,863	141,370	199,786	219,847
210.60%	229.10%		323.31%	435.87%	615.98%	677.83%
\$ 7 -	\$ 7 -	\$ - -	\$ - -	\$ 7 -	\$ 7 -	\$ 7 -
7	7	-	-	7	7	7
-	-	-	-	-	-	-
-	-	-	-	-	-	-
98,853 26	103,762 29	30,067 61	125,274 42	160,560 45	214,495 46	232,908 -
98,879 7,048	103,791 8,446	30,128 2,306	125,316 11,981	160,605 13,192	214,541 17,672	232,908 19,366
\$ 105,927	\$ 112,237	\$ 32,434	\$ 137,297	\$ 173,797	\$ 232,213	\$ 252,274

Continue on next page.

**CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 249,340	\$ 275,444	\$ 309,366
Public Utilities - State Assessed.....	43	37	35
Total Secured Valuation.....	249,383	275,481	309,401
Unsecured - Locally Assessed.....	23,833	28,715	28,301
Total Gross Valuation.....	273,216	304,196	337,702
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	303	309	315
Unsecured - Locally Assessed.....	-	8	35
Total Exemptions.....	303	317	350
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	249,037	275,135	309,051
Public Utilities - State Assessed.....	43	37	35
Net Secured.....	249,080	275,172	309,086
Unsecured - Locally Assessed.....	23,833	28,707	28,266
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 272,913	\$ 303,879	\$ 337,352
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	240,479	271,445	304,918
Percentage Increase (Decrease) Over Base Year.....	741.44%	836.91%	940.12%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 7	\$ 7	\$ 7
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	7	7	7
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	249,030	275,128	309,044
Public Utilities - State Assessed.....	43	37	35
Net Secured.....	249,073	275,165	309,079
Unsecured - Locally Assessed.....	23,833	28,707	28,266
NET ASSESSED VALUATION.....	\$ 272,906	\$ 303,872	\$ 337,345



**CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	Base Year 1976-77	1995-96	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 10,503	\$ 721,610	\$ 708,839
Public Utilities - State Assessed.....	2,672	1,085	475
Total Secured Valuation.....	13,175	722,695	709,314
Unsecured - Locally Assessed.....	6,475	57,602	59,865
Total Gross Valuation.....	19,650	780,297	769,179
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	142	20,114	18,771
Unsecured - Locally Assessed.....	-	322	-
Total Exemptions.....	142	20,436	18,771
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	10,361	701,496	690,068
Public Utilities - State Assessed.....	2,672	1,085	475
Net Secured.....	13,033	702,581	690,543
Unsecured - Locally Assessed.....	6,475	57,280	59,865
NET ASSESSED VALUATION FOR TAX RATE.....	<u>\$ 19,508</u>	<u>\$ 759,861</u>	<u>\$ 750,408</u>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		740,353	730,900
Percentage Increase (Decrease) Over Base Year.....		3795.13%	3746.67%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 1,477	\$ 1,560
Unsecured - Locally Assessed.....	-	49	95
Total Homeowners' Exemptions.....	-	1,526	1,655
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	212	-	-
Unsecured - Locally Assessed.....	1,539	-	-
Total Business Inventory Exemptions.....	1,751	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	10,149	700,019	688,508
Public Utilities - State Assessed.....	2,672	1,085	475
Net Secured.....	12,821	701,104	688,983
Unsecured - Locally Assessed.....	4,936	57,231	59,770
NET ASSESSED VALUATION.....	<u>\$ 17,757</u>	<u>\$ 758,335</u>	<u>\$ 748,753</u>

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
\$ 9,814 2,672	\$ 721,827 353	\$ 9,814 964	\$ 758,292 501	\$ 816,598 534	\$ 873,181 544	\$ 1,078,100 -
12,486 6,475	722,180 59,208	10,778 6,475	758,793 64,822	817,132 60,580	873,725 66,559	1,078,100 69,427
18,961	781,388	17,253	823,615	877,712	940,284	1,147,527
143 -	19,397 -	143 -	19,782 97	20,400 88	20,558 88	22,941 3,553
143	19,397	143	19,879	20,488	20,646	26,494
9,671 2,672	702,430 353	9,671 964	738,510 501	796,198 534	852,623 544	1,055,159 -
12,343 6,475	702,783 59,208	10,635 6,475	739,011 64,725	796,732 60,492	853,167 66,471	1,055,159 65,874
\$ 18,818	\$ 761,991	\$ 17,110	\$ 803,736	\$ 857,224	\$ 919,638	\$ 1,121,033
	743,173		786,626	840,114	902,528	1,103,923
	3949.27%		4597.46%	4910.08%	5274.86%	6451.92%
\$ 867 -	\$ 1,792 95	\$ 867 -	\$ 2,001 -	\$ 2,351 -	\$ 2,280 116	\$ 2,280 116
867	1,887	867	2,001	2,351	2,396	2,396
- -	- -	- -	- -	- -	- -	- -
-	-	-	-	-	-	-
8,804 2,672	700,638 353	8,804 964	736,509 501	793,847 534	850,343 544	1,052,879 -
11,476 6,475	700,991 59,113	9,768 6,475	737,010 64,725	794,381 60,492	850,887 66,355	1,052,879 65,758
\$ 17,951	\$ 760,104	\$ 16,243	\$ 801,735	\$ 854,873	\$ 917,242	\$ 1,118,637

Continue on next page.

**CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,267,073	\$ 1,913,850	
Public Utilities - State Assessed.....	502	417	
Total Secured Valuation.....	1,267,575	1,914,267	-
Unsecured - Locally Assessed.....	72,613	69,965	
Total Gross Valuation.....	1,340,188	1,984,232	-
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	23,137	25,328	
Unsecured - Locally Assessed.....	2,573	4,153	
Total Exemptions.....	25,710	29,481	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,243,936	1,888,522	-
Public Utilities - State Assessed.....	502	417	-
Net Secured.....	1,244,438	1,888,939	-
Unsecured - Locally Assessed.....	70,040	65,812	-
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,314,478</b>	<b>\$ 1,954,751</b>	<b>\$ -</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	1,297,368	1,937,641	(17,110)
Percentage Increase (Decrease) Over Base Year.....	7582.51%	11324.61%	-100.00%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 2,834	\$ 3,910	\$ 4,778
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	2,834	3,910	4,778
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,241,102	1,884,612	(4,778)
Public Utilities - State Assessed.....	502	417	-
Net Secured.....	1,241,604	1,885,029	(4,778)
Unsecured - Locally Assessed.....	70,040	65,812	-
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,311,644</b>	<b>\$ 1,950,841</b>	<b>\$ (4,778)</b>



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**CITY HEIGHTS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2004-05 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	Base Year 1992-93	Revised Base Year 1992-93	1996-97
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,221,895	\$ 1,214,987	\$ 1,116,612
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	1,221,895	1,214,987	1,116,612
Unsecured - Locally Assessed.....	20,926	20,926	15,508
Total Gross Valuation.....	1,242,821	1,235,913	1,132,120
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	25,677	25,064	25,816
Unsecured - Locally Assessed.....	-	-	41
Total Exemptions.....	25,677	25,064	25,857
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,196,218	1,189,923	1,090,796
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,196,218	1,189,923	1,090,796
Unsecured - Locally Assessed.....	20,926	20,926	15,467
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 1,217,144</b>	<b>\$ 1,210,849</b>	<b>\$ 1,106,263</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			(104,586)
Percentage Increase (Decrease) Over Base Year.....			-8.64%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 19,985	\$ 19,674
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	19,985	19,674
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,196,218	1,169,938	1,071,122
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,196,218	1,169,938	1,071,122
Unsecured - Locally Assessed.....	20,926	20,926	15,467
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 1,217,144</b>	<b>\$ 1,190,864</b>	<b>\$ 1,086,589</b>

Revised Base Year 1992-93	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 1,034,935	\$ 1,000,884	\$ 1,027,567	\$ 1,010,076	\$ 1,045,685	\$ 1,118,357	\$ 1,227,363	\$ 1,371,384
-	-	-	-	-	-	-	-
1,034,935	1,000,884	1,027,567	1,010,076	1,045,685	1,118,357	1,227,363	1,371,384
20,926	14,297	20,926	17,330	17,759	18,869	18,078	21,608
1,055,861	1,015,181	1,048,493	1,027,406	1,063,444	1,137,226	1,245,441	1,392,992
25,064	26,792	25,064	27,331	31,489	43,087	44,494	49,928
-	166	-	199	544	574	909	122
25,064	26,958	25,064	27,530	32,033	43,661	45,403	50,050
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869	1,321,456
-	-	-	-	-	-	-	-
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869	1,321,456
20,926	14,131	20,926	17,131	17,215	18,295	17,169	21,486
\$ 1,030,797	\$ 988,223	\$ 1,023,429	\$ 999,876	\$ 1,031,411	\$ 1,093,565	\$ 1,200,038	\$ 1,342,942
	(42,574)		(23,553)	7,982	70,136	176,609	319,513
	-4.13%		-2.30%	0.78%	6.85%	17.26%	31.22%
\$ 19,985	\$ 19,421	\$ 19,985	\$ 19,127	\$ 19,734	\$ 19,838	\$ 19,838	\$ 20,689
-	-	-	-	-	-	-	-
19,985	19,421	19,985	19,127	19,734	19,838	19,838	20,689
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031	1,300,767
-	-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031	1,300,767
20,926	14,131	20,926	17,131	17,215	18,295	17,169	21,486
\$ 1,010,812	\$ 968,802	\$ 1,003,444	\$ 980,749	\$ 1,011,677	\$ 1,073,727	\$ 1,180,200	\$ 1,322,253

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**CITY HEIGHTS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1996-97 TO 2004-05 (BASE YEAR 1992-93)**  
**(UNAUDITED)**

	2003-04	Revised Base Year 1992-93	2004-05
<b>GROSS</b>			
Secured - Locally Assessed.....	\$ 1,536,318	\$ 1,013,800	\$ 1,744,652
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	1,536,318	1,013,800	1,744,652
Unsecured - Locally Assessed.....	27,638	20,926	26,310
Total Gross Valuation.....	1,563,956	1,034,726	1,770,962
<b>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</b>			
Secured - Locally Assessed.....	59,297	24,921	72,663
Unsecured - Locally Assessed.....	801	-	1,016
Total Exemptions.....	60,098	24,921	73,679
<b>NET ASSESSED VALUATIONS FOR TAX RATE</b>			
Secured - Locally Assessed.....	1,477,021	988,879	1,671,989
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,477,021	988,879	1,671,989
Unsecured - Locally Assessed.....	26,837	20,926	25,294
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 1,503,858	\$ 1,009,805	\$ 1,697,283
<b>INCREMENT</b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	480,429		687,478
Percentage Increase (Decrease) Over Base Year.....	46.94%		68.08%
<b>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</b>			
Secured - Locally Assessed.....	\$ 21,143	\$ 19,985	\$ 21,707
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	21,143	19,985	21,707
<b>BUSINESS INVENTORY EXEMPTIONS</b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</b>			
Secured - Locally Assessed.....	1,455,878	968,894	1,650,282
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	1,455,878	968,894	1,650,282
Unsecured - Locally Assessed.....	26,837	20,926	25,294
NET ASSESSED VALUATION.....	\$ 1,482,715	\$ 989,820	\$ 1,675,576

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COLLEGE COMMUNITY REDEVELOPMENT PROJECT  
 ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)  
 FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1993-94)  
 (UNAUDITED)

	Base Year 1993-94	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 56,366	\$ 60,304	\$ 59,183
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	56,366	60,304	59,183
Unsecured - Locally Assessed.....	3,033	2,899	2,583
Total Gross Valuation.....	59,399	63,203	61,766
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	10,367	11,029	10,723
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	10,367	11,029	10,723
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	45,999	49,275	48,460
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	45,999	49,275	48,460
Unsecured - Locally Assessed.....	3,033	2,899	2,583
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 49,032	\$ 52,174	\$ 51,043
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		3,142	2,011
Percentage Increase (Decrease) Over Base Year.....		6.41%	4.10%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 14	\$ 14	\$ 14
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	14	14	14
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	45,985	49,261	48,446
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	45,985	49,261	48,446
Unsecured - Locally Assessed.....	3,033	2,899	2,583
NET ASSESSED VALUATION.....	\$ 49,018	\$ 52,160	\$ 51,029

1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
\$ 58,730	\$ 59,540	\$ 65,343	\$ 69,023	\$ 77,392	\$ 101,104	\$ 106,774	\$ 123,054	\$ 127,995
-	-	-	-	-	-	-	-	-
58,730	59,540	65,343	69,023	77,392	101,104	106,774	123,054	127,995
2,447	3,053	5,809	4,950	10,019	10,329	3,779	5,069	3,853
61,177	62,593	71,152	73,973	87,411	111,433	110,553	128,123	131,848
11,972	11,778	10,997	11,440	21,149	23,021	43,610	57,296	59,194
-	1,114	309	1,542	4,847	5,455	-	203	110
11,972	12,892	11,306	12,982	25,996	28,476	43,610	57,499	59,304
46,758	47,762	54,346	57,583	56,243	78,083	63,164	65,758	68,801
-	-	-	-	-	-	-	-	-
46,758	47,762	54,346	57,583	56,243	78,083	63,164	65,758	68,801
2,447	1,939	5,500	3,408	5,172	4,874	3,779	4,866	3,743
\$ 49,205	\$ 49,701	\$ 59,846	\$ 60,991	\$ 61,415	\$ 82,957	\$ 66,943	\$ 70,624	\$ 72,544
173	669	10,814	11,959	12,383	33,925	17,911	21,592	23,512
0.35%	1.36%	22.05%	24.39%	25.25%	69.19%	36.53%	44.04%	47.95%
\$ 14	\$ 14	\$ 14	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 14
-	-	-	-	-	-	-	-	-
14	14	14	21	21	21	21	21	14
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
46,744	47,748	54,332	57,562	56,222	78,062	63,143	65,737	68,787
-	-	-	-	-	-	-	-	-
46,744	47,748	54,332	57,562	56,222	78,062	63,143	65,737	68,787
2,447	1,939	5,500	3,408	5,172	4,874	3,779	4,866	3,743
\$ 49,191	\$ 49,687	\$ 59,832	\$ 60,970	\$ 61,394	\$ 82,936	\$ 66,922	\$ 70,603	\$ 72,530

**COLLEGE GROVE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	Base Year 1986-87	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 17,135	\$ 32,969	\$ 27,115
Public Utilities - State Assessed.....	292	-	-
Total Secured Valuation.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,097	3,450
Total Gross Valuation.....	19,937	38,066	30,565
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	2	2
Total Exemptions.....	-	2	2
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	17,135	32,969	27,115
Public Utilities - State Assessed.....	292	-	-
Net Secured.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,095	3,448
NET ASSESSED VALUATION FOR TAX RATE.....	19,937	38,064	30,563
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		18,127	10,626
Percentage Increase (Decrease) Over Base Year.....		90.92%	53.30%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	17,135	32,969	27,115
Public Utilities - State Assessed.....	292	-	-
Net Secured.....	17,427	32,969	27,115
Unsecured - Locally Assessed.....	2,510	5,095	3,448
NET ASSESSED VALUATION.....	\$ 19,937	\$ 38,064	\$ 30,563



1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
\$ 26,283	\$ 26,507	\$ 17,135	\$ 26,846	\$ 25,176	\$ 53,271	\$ 61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
28,975	29,665	19,659	29,551	26,845	56,122	68,255
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
28,975	29,665	19,659	29,551	26,845	56,122	68,255
9,038	9,728		9,892	7,186	36,463	48,596
45.33%	48.79%		50.32%	36.55%	185.48%	247.19%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
\$ 28,975	\$ 29,665	\$ 19,659	\$ 29,551	\$ 26,845	\$ 56,122	\$ 68,255

Continue on next page.

**COLLEGE GROVE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 62,738	\$ 61,096	\$ 82,062
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	62,738	61,096	82,062
Unsecured - Locally Assessed.....	8,505	6,197	8,525
Total Gross Valuation.....	71,243	67,293	90,587
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	62,738	61,096	82,062
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	62,738	61,096	82,062
Unsecured - Locally Assessed.....	8,505	6,197	8,525
NET ASSESSED VALUATION FOR TAX RATE.....	71,243	67,293	90,587
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	51,584	47,634	70,928
Percentage Increase (Decrease) Over Base Year.....	262.39%	242.30%	360.79%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	62,738	61,096	82,062
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	62,738	61,096	82,062
Unsecured - Locally Assessed.....	8,505	6,197	8,525
NET ASSESSED VALUATION.....	\$ 71,243	\$ 67,293	\$ 90,587

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**CROSSROADS REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 2002-2003 TO 2004-05 (BASE YEAR 2002-2003)**  
**(UNAUDITED)**

	Base Year 2002-2003	2004-05
<b><u>GROSS</u></b>		
Secured - Locally Assessed.....	\$ 530,192	\$ 638,610
Public Utilities - State Assessed.....	-	-
Total Secured Valuation.....	530,192	638,610
Unsecured - Locally Assessed.....	24,811	22,662
Total Gross Valuation.....	555,003	661,272
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>		
Secured - Locally Assessed.....	35,700	42,163
Unsecured - Locally Assessed.....	475	862
Total Exemptions.....	36,175	43,025
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>		
Secured - Locally Assessed.....	494,492	596,447
Public Utilities - State Assessed.....	-	-
Net Secured.....	494,492	596,447
Unsecured - Locally Assessed.....	24,336	21,800
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 518,828</b>	<b>\$ 618,247</b>
<b><u>INCREMENT</u></b>		
Net Assessed Valuation Increase (Decrease) Over Base Year.....		99,419
Percentage Increase (Decrease) Over Base Year.....		19.16%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-
Total Homeowners' Exemptions.....	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	-	-
Unsecured - Locally Assessed.....	-	-
Total Business Inventory Exemptions.....	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	494,492	596,447
Public Utilities - State Assessed.....	-	-
Net Secured.....	494,492	596,447
Unsecured - Locally Assessed.....	24,336	21,800
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 518,828</b>	<b>\$ 618,247</b>

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**GATEWAY CENTER WEST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	Base Year 1976-77	1995-96	Revised Base Year 1976-77
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 3,306	\$ 22,547	\$ 3,301
Public Utilities - State Assessed.....	1,841	-	1,841
Total Secured Valuation.....	5,147	22,547	5,142
Unsecured - Locally Assessed.....	454	1,424	454
Total Gross Valuation.....	5,601	23,971	5,596
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	87	3,612	87
Unsecured - Locally Assessed.....	-	135	-
Total Exemptions.....	87	3,747	87
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	3,219	18,935	3,214
Public Utilities - State Assessed.....	1,841	-	1,841
Net Secured.....	5,060	18,935	5,055
Unsecured - Locally Assessed.....	454	1,289	454
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 5,514	\$ 20,224	\$ 5,509
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		14,710	
Percentage Increase (Decrease) Over Base Year.....		266.78%	
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 189	\$ 63	\$ 189
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	189	63	189
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	54	-	-
Unsecured - Locally Assessed.....	80	-	-
Total Business Inventory Exemptions.....	134	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	2,976	18,872	3,025
Public Utilities - State Assessed.....	1,841	-	1,841
Net Secured.....	4,817	18,872	4,866
Unsecured - Locally Assessed.....	374	1,289	454
NET ASSESSED VALUATION.....	\$ 5,191	\$ 20,161	\$ 5,320

1996-97	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
\$ 20,915	\$ 22,079	\$ 3,302	\$ 22,008	\$ 22,412	\$ 22,100	\$ 24,462
-	-	-	-	-	-	-
20,915	22,079	3,302	22,008	22,412	22,100	24,462
4,096	2,719	454	2,417	2,066	3,005	4,471
25,011	24,798	3,756	24,425	24,478	25,105	28,933
4,912	5,010	87	5,111	5,205	5,309	5,415
-	201	-	118	109	165	186
4,912	5,211	87	5,229	5,314	5,474	5,601
16,003	17,069	3,215	16,897	17,207	16,791	19,047
-	-	-	-	-	-	-
16,003	17,069	3,215	16,897	17,207	16,791	19,047
4,096	2,518	454	2,299	1,957	2,840	4,285
\$ 20,099	\$ 19,587	\$ 3,669	\$ 19,196	\$ 19,164	\$ 19,631	\$ 23,332
14,590	14,078		15,527	15,495	15,962	19,663
264.84%	255.55%		423.19%	422.32%	435.05%	535.92%
\$ 63	\$ 70	\$ 189	\$ 70	\$ 70	\$ 70	\$ 70
-	-	-	-	-	-	-
63	70	189	70	70	70	70
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977
4,096	2,518	454	2,299	1,957	2,840	4,285
\$ 20,036	\$ 19,517	\$ 3,480	\$ 19,126	\$ 19,094	\$ 19,561	\$ 23,262

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**GATEWAY CENTER WEST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1976-77)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 25,654	\$ 27,585	\$ 28,969
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	25,654	27,585	28,969
Unsecured - Locally Assessed.....	3,898	3,746	3,755
Total Gross Valuation.....	29,552	31,331	32,724
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	5,524	5,634	5,739
Unsecured - Locally Assessed.....	-	177	162
Total Exemptions.....	5,524	5,811	5,901
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	20,130	21,951	23,230
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	20,130	21,951	23,230
Unsecured - Locally Assessed.....	3,898	3,569	3,593
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 24,028</b>	<b>\$ 25,520</b>	<b>\$ 26,823</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	20,359	21,851	23,154
Percentage Increase (Decrease) Over Base Year.....	554.89%	595.56%	631.07%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 56	\$ 56	\$ 63
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	56	56	63
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	20,074	21,895	23,167
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	20,074	21,895	23,167
Unsecured - Locally Assessed.....	3,898	3,569	3,593
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 23,972</b>	<b>\$ 25,464</b>	<b>\$ 26,760</b>



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**HORTON PLAZA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	Base Year 1972-73	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 15,718	\$ 410,939	\$ 354,750
Public Utilities - State Assessed.....	1,374	-	-
Total Secured Valuation.....	17,092	410,939	354,750
Unsecured - Locally Assessed.....	2,202	27,953	23,628
Total Gross Valuation.....	19,294	438,892	378,378
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	522	-	-
Unsecured - Locally Assessed.....	-	608	660
Total Exemptions.....	522	608	660
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	15,196	410,939	354,750
Public Utilities - State Assessed.....	1,374	-	-
Net Secured.....	16,570	410,939	354,750
Unsecured - Locally Assessed.....	2,202	27,345	22,968
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 18,772	\$ 438,284	\$ 377,718
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		419,512	358,946
Percentage Increase (Decrease) Over Base Year.....		2234.78%	1912.14%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 609	\$ 595
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	609	595
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	307	-	-
Total Business Inventory Exemptions.....	307	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	15,196	410,330	354,155
Public Utilities - State Assessed.....	1,374	-	-
Net Secured.....	16,570	410,330	354,155
Unsecured - Locally Assessed.....	1,895	27,345	22,968
NET ASSESSED VALUATION.....	\$ 18,465	\$ 437,675	\$ 377,123

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 346,766	\$ 364,213	\$ 15,718 3	\$ 373,433	\$ 455,518	\$ 473,520	\$ 500,728	\$ 522,112
-	-	-	-	-	-	-	-
346,766	364,213	15,721	373,433	455,518	473,520	500,728	522,112
25,055	26,626	2,203	28,495	43,981	46,557	44,642	59,284
371,821	390,839	17,924	401,928	499,499	520,077	545,370	581,396
-	-	522	-	-	-	-	-
557	922	-	528	7,384	7,597	7,848	7,279
557	922	522	528	7,384	7,597	7,848	7,279
346,766	364,213	15,196 3	373,433	455,518	473,520	500,728	522,112
-	-	-	-	-	-	-	-
346,766	364,213	15,199	373,433	455,518	473,520	500,728	522,112
24,498	25,704	2,203	27,967	36,597	38,960	36,794	52,005
\$ 371,264	\$ 389,917	\$ 17,402	\$ 401,400	\$ 492,115	\$ 512,480	\$ 537,522	\$ 574,117
352,492	371,145		383,998	474,713	495,078	520,120	556,715
1877.75%	1977.12%		2206.63%	2727.92%	2844.95%	2988.85%	3199.14%
\$ 630	\$ 679	\$ -	\$ 728	\$ 735	\$ 754	\$ 755	\$ 748
-	-	-	-	-	-	-	-
630	679	-	728	735	754	755	748
-	-	-	-	-	-	-	-
-	-	307	-	-	-	-	-
-	-	307	-	-	-	-	-
346,136	363,534	15,196 3	372,705	454,783	472,766	499,973	521,364
-	-	-	-	-	-	-	-
346,136	363,534	15,199	372,705	454,783	472,766	499,973	521,364
24,498	25,704	1,896	27,967	36,597	38,960	36,794	52,005
\$ 370,634	\$ 389,238	\$ 17,095	\$ 400,672	\$ 491,380	\$ 511,726	\$ 536,767	\$ 573,369

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**HORTON PLAZA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	2003-04	2004-05
<b><u>GROSS</u></b>		
Secured - Locally Assessed.....	\$ 521,454	\$ 547,082
Public Utilities - State Assessed.....	-	-
Total Secured Valuation.....	521,454	547,082
Unsecured - Locally Assessed.....	56,366	55,272
Total Gross Valuation.....	577,820	602,354
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>		
Secured - Locally Assessed.....	-	-
Unsecured - Locally Assessed.....	7,672	7,823
Total Exemptions.....	7,672	7,823
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>		
Secured - Locally Assessed.....	521,454	547,082
Public Utilities - State Assessed.....	-	-
Net Secured.....	521,454	547,082
Unsecured - Locally Assessed.....	48,694	47,449
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 570,148</b>	<b>\$ 594,531</b>
<b><u>INCREMENT</u></b>		
Net Assessed Valuation Increase (Decrease) Over Base Year.....	552,746	577,129
Percentage Increase (Decrease) Over Base Year.....	3176.34%	3316.45%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	\$ 714	\$ 725
Unsecured - Locally Assessed.....	-	-
Total Homeowners' Exemptions.....	714	725
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	-	-
Unsecured - Locally Assessed.....	-	-
Total Business Inventory Exemptions.....	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>		
Secured - Locally Assessed.....	520,740	546,357
Public Utilities - State Assessed.....	-	-
Net Secured.....	520,740	546,357
Unsecured - Locally Assessed.....	48,694	47,449
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 569,434</b>	<b>\$ 593,806</b>

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**LINDA VISTA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	Base Year 1972-73	Revised Base Year 1972-73	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 1,611	\$ 1,600	\$ 7,123
Public Utilities - State Assessed.....	128	128	-
Total Secured Valuation.....	1,739	1,728	7,123
Unsecured - Locally Assessed.....	660	660	1,582
Total Gross Valuation.....	2,399	2,388	8,705
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	7	7	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	7	7	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	1,604	1,593	7,123
Public Utilities - State Assessed.....	128	128	-
Net Secured.....	1,732	1,721	7,123
Unsecured - Locally Assessed.....	660	660	1,582
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 2,392	\$ 2,381	\$ 8,705
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....			6,324
Percentage Increase (Decrease) Over Base Year.....			265.60%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	153	153	-
Total Business Inventory Exemptions.....	153	153	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	1,604	1,593	7,123
Public Utilities - State Assessed.....	128	128	-
Net Secured.....	1,732	1,721	7,123
Unsecured - Locally Assessed.....	507	507	1,582
NET ASSESSED VALUATION.....	\$ 2,239	\$ 2,228	\$ 8,705

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02
\$ 7,242	\$ 7,373	\$ 1,600	\$ 7,505	\$ 8,123	\$ 8,807	\$ 9,163
-	-	-	-	-	-	-
7,242	7,373	1,600	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
9,068	8,834	2,260	8,824	10,049	11,192	11,596
-	-	7	-	-	-	-
-	-	-	-	-	-	-
-	-	7	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
\$ 9,068	\$ 8,834	\$ 2,253	\$ 8,824	\$ 10,049	\$ 11,192	\$ 11,596
6,687	6,453		6,571	7,796	8,939	9,343
280.85%	271.02%		291.66%	346.03%	396.76%	414.69%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	153	-	-	-	-
-	-	153	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	507	1,319	1,926	2,385	2,433
\$ 9,068	\$ 8,834	\$ 2,100	\$ 8,824	\$ 10,049	\$ 11,192	\$ 11,596

Continue on next page.

**LINDA VISTA REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1995-96 TO 2004-05 (BASE YEAR 1972-73)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 9,333	\$ 8,236	\$ 8,456
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	9,333	8,236	8,456
Unsecured - Locally Assessed.....	2,655	2,639	2,137
Total Gross Valuation.....	11,988	10,875	10,593
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	9,333	8,236	8,456
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	9,333	8,236	8,456
Unsecured - Locally Assessed.....	2,655	2,639	2,137
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 11,988	\$ 10,875	\$ 10,593
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	9,735	8,622	8,340
Percentage Increase (Decrease) Over Base Year.....	432.09%	382.69%	370.17%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	9,333	8,236	8,456
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	9,333	8,236	8,456
Unsecured - Locally Assessed.....	2,655	2,639	2,137
NET ASSESSED VALUATION.....	\$ 11,988	\$ 10,875	\$ 10,593





**MOUNT HOPE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	Base Year 1982-83	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 18,484	\$ 72,446	\$ 69,736
Public Utilities - State Assessed.....	716	-	-
Total Secured Valuation.....	19,200	72,446	69,736
Unsecured - Locally Assessed.....	24	6,742	9,994
Total Gross Valuation.....	19,224	79,188	79,730
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	443	1,124	1,153
Unsecured - Locally Assessed.....	-	3	3
Total Exemptions.....	443	1,127	1,156
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	18,041	71,322	68,583
Public Utilities - State Assessed.....	716	-	-
Net Secured.....	18,757	71,322	68,583
Unsecured - Locally Assessed.....	24	6,739	9,991
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 18,781	\$ 78,061	\$ 78,574
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		59,280	59,793
Percentage Increase (Decrease) Over Base Year.....		315.64%	318.37%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,414	\$ 1,356	\$ 1,399
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,414	1,356	1,399
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	16,627	69,966	67,184
Public Utilities - State Assessed.....	716	-	-
Net Secured.....	17,343	69,966	67,184
Unsecured - Locally Assessed.....	24	6,739	9,991
NET ASSESSED VALUATION.....	\$ 17,367	\$ 76,705	\$ 77,175

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
\$ 70,232	\$ 72,740	\$ 18,484	\$ 75,324	\$ 77,535	\$ 90,378	\$ 96,022
-	-	-	-	-	-	-
70,232	72,740	18,484	75,324	77,535	90,378	96,022
10,271	12,224	24	18,209	18,325	15,642	16,268
80,503	84,964	18,508	93,533	95,860	106,020	112,290
1,248	1,364	443	1,306	1,271	1,186	905
9	25	-	9	-	7	-
1,257	1,389	443	1,315	1,271	1,193	905
68,984	71,376	18,041	74,018	76,264	89,192	95,117
-	-	-	-	-	-	-
68,984	71,376	18,041	74,018	76,264	89,192	95,117
10,262	12,199	24	18,200	18,325	15,635	16,268
\$ 79,246	\$ 83,575	\$ 18,065	\$ 92,218	\$ 94,589	\$ 104,827	\$ 111,385
60,465	64,794		74,153	76,524	86,762	93,320
321.95%	345.00%		410.48%	423.60%	480.28%	516.58%
\$ 1,442	\$ 1,519	\$ 1,414	\$ 1,532	\$ 1,518	\$ 1,518	\$ 1,518
-	-	-	-	-	-	-
1,442	1,519	1,414	1,532	1,518	1,518	1,518
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599
-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599
10,262	12,199	24	18,200	18,325	15,635	16,268
\$ 77,804	\$ 82,056	\$ 16,651	\$ 90,686	\$ 93,071	\$ 103,309	\$ 109,867

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**MOUNT HOPE REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1982-83)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 100,959	\$ 108,817	\$ 120,601
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	100,959	108,817	120,601
Unsecured - Locally Assessed.....	20,592	18,539	18,263
Total Gross Valuation.....	121,551	127,356	138,864
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	905	9,748	12,392
Unsecured - Locally Assessed.....	-	7	1,800
Total Exemptions.....	905	9,755	14,192
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	100,054	99,069	108,209
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	100,054	99,069	108,209
Unsecured - Locally Assessed.....	20,592	18,532	16,463
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 120,646	\$ 117,601	\$ 124,672
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	102,581	99,536	106,607
Percentage Increase (Decrease) Over Base Year.....	567.84%	550.99%	590.13%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,526	\$ 1,557	\$ 1,589
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,526	1,557	1,589
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	98,528	97,512	106,620
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	98,528	97,512	106,620
Unsecured - Locally Assessed.....	20,592	18,532	16,463
NET ASSESSED VALUATION.....	\$ 119,120	\$ 116,044	\$ 123,083

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**NAVAL TRAINING CENTER REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2004-05 (BASE YEAR 1999-2000)**  
**(UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	-	-	-
Unsecured - Locally Assessed.....	-	44	68
Total Gross Valuation.....	-	44	68
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	12
Total Exemptions.....	-	-	12
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	-	-	-
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	-	-	-
Unsecured - Locally Assessed.....	-	44	56
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ 56</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		44	56
Percentage Increase (Decrease) Over Base Year.....		N/A	N/A
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ -	\$ -
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	-	-
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	-	-	-
Unsecured - Locally Assessed.....	-	44	56
<b>NET ASSESSED VALUATION.....</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ 56</b>

2001-02	2002-03	2003-04	2004-05
\$ -	\$ 11,090	\$ 100,366	\$ \$ 209,737
-	-	-	-
-	11,090	100,366	209,737
-	8	481	541
-	11,098	100,847	210,278
-	-	-	13,385
-	-	-	-
-	-	-	13,385
-	11,090	100,366	196,352
-	-	-	-
-	11,090	100,366	196,352
-	8	481	541
\$ -	\$ 11,098	\$ 100,847	\$ \$ 196,893
-	11,098	100,847	196,893
N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ \$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	11,090	100,366	196,352
-	-	-	-
-	11,090	100,366	196,352
-	8	481	541
\$ -	\$ 11,098	\$ 100,847	\$ \$ 196,893

**NORTH BAY REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2004-05 (BASE YEAR 1999-2000)**  
**(UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 665,470	\$ 737,249	\$ 784,329
Public Utilities - State Assessed.....	4,917	8,101	8,274
Total Secured Valuation.....	670,387	745,350	792,603
Unsecured - Locally Assessed.....	76,363	98,094	89,629
Total Gross Valuation.....	746,750	843,444	882,232
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	63,278	61,649	62,940
Unsecured - Locally Assessed.....	-	-	7,945
Total Exemptions.....	63,278	61,649	70,885
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	602,192	675,600	721,389
Public Utilities - State Assessed.....	4,917	8,101	8,274
Net Secured.....	607,109	683,701	729,663
Unsecured - Locally Assessed.....	76,363	98,094	81,684
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 683,472</b>	<b>\$ 781,795</b>	<b>\$ 811,347</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		98,323	127,875
Percentage Increase (Decrease) Over Base Year.....		14.39%	18.71%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 2,153	\$ 2,222
Unsecured - Locally Assessed.....	-	-	35
Total Homeowners' Exemptions.....	-	2,153	2,257
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	602,192	673,447	719,167
Public Utilities - State Assessed.....	4,917	8,101	8,274
Net Secured.....	607,109	681,548	727,441
Unsecured - Locally Assessed.....	76,363	98,094	81,649
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 683,472</b>	<b>\$ 779,642</b>	<b>\$ 809,090</b>



2001-02	Revised Base Year 1999-2000	2002-03	2003-04	2004-05
\$ 828,519	\$ 671,088	\$ 879,653	\$ 907,188	\$ 969,695
8,440	4,917	7,603	6,570	6,253
836,959	676,005	887,256	913,758	975,948
84,023	76,363	92,229	103,680	102,426
920,982	752,368	979,485	1,017,438	1,078,374
60,979	63,278	72,720	36,897	43,514
6,530	-	3,177	5,769	5,825
67,509	63,278	75,897	42,666	49,339
767,540	607,810	806,933	870,291	926,181
8,440	4,917	7,603	6,570	6,253
775,980	612,727	814,536	876,861	932,434
77,493	76,363	89,052	97,911	96,601
\$ 853,473	\$ 689,090	\$ 903,588	\$ 974,772	\$ 1,029,035
170,001		214,498	285,682	339,945
24.87%		31.13%	41.46%	49.33%
\$ 2,222	\$ -	\$ 2,320	\$ 2,328	\$ 2,356
35	-	-	-	-
2,257	-	2,320	2,328	2,356
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
765,318	607,810	804,613	867,963	923,825
8,440	4,917	7,603	6,570	6,253
773,758	612,727	812,216	874,533	930,078
77,458	76,363	89,052	97,911	96,601
\$ 851,216	\$ 689,090	\$ 901,268	\$ 972,444	\$ 1,026,679

**NORTH PARK REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1999-2000 TO 2004-05 (BASE YEAR 1999-2000)**  
**(UNAUDITED)**

	Base Year 1999-2000	1999-2000	2000-01
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 421,648	\$ 453,872	\$ 486,289
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	421,648	453,872	486,289
Unsecured - Locally Assessed.....	10,814	15,822	16,214
Total Gross Valuation.....	432,462	469,694	502,503
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	8,911	8,912	9,775
Unsecured - Locally Assessed.....	-	-	305
Total Exemptions.....	8,911	8,912	10,080
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	412,737	444,960	476,514
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	412,737	444,960	476,514
Unsecured - Locally Assessed.....	10,814	15,822	15,909
NET ASSESSED VALUATION FOR TAX RATE.....	\$ 423,551	\$ 460,782	\$ 492,423
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		37,231	68,872
Percentage Increase (Decrease) Over Base Year.....		8.79%	16.26%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ -	\$ 5,228	\$ 5,410
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	-	5,228	5,410
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	412,737	439,732	471,104
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	412,737	439,732	471,104
Unsecured - Locally Assessed.....	10,814	15,822	15,909
NET ASSESSED VALUATION.....	\$ 423,551	\$ 455,554	\$ 487,013

<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
\$ 528,168	\$ 571,211	\$ 628,854	\$ 707,419
-	-	-	-
528,168	571,211	628,854	707,419
15,355	15,780	20,267	17,587
543,523	586,991	649,121	725,006
9,691	10,735	11,675	12,536
446	115	675	701
10,137	10,850	12,350	13,237
518,477	560,476	617,179	694,883
-	-	-	-
518,477	560,476	617,179	694,883
14,909	15,665	19,592	16,886
\$ 533,386	\$ 576,141	\$ 636,771	\$ 711,769
109,835	152,590	213,220	286,218
25.93%	36.03%	50.34%	68.05%
\$ 5,410	\$ 5,624	\$ 5,676	\$ 5,741
-	-	-	-
5,410	5,624	5,676	5,741
-	-	-	-
-	-	-	-
-	-	-	-
513,067	554,852	611,503	689,142
-	-	-	-
513,067	554,852	611,503	689,142
14,909	15,665	19,592	16,886
\$ 527,976	\$ 570,517	\$ 631,095	\$ 706,028

**SAN YSIDRO REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1997-98 TO 2004-05 (BASE YEAR 1996-97)**  
**(UNAUDITED)**

	Base Year 1996-97	1997-98	1998-99
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 214,166	\$ 214,360	\$ 219,810
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	214,166	214,360	219,810
Unsecured - Locally Assessed.....	10,431	4,670	10,739
Total Gross Valuation.....	224,597	219,030	230,549
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	23,960	26,042	26,857
Unsecured - Locally Assessed.....	-	-	23
Total Exemptions.....	23,960	26,042	26,880
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	190,206	188,318	192,953
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	190,206	188,318	192,953
Unsecured - Locally Assessed.....	10,431	4,670	10,716
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 200,637</b>	<b>\$ 192,988</b>	<b>\$ 203,669</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		(7,649)	3,032
Percentage Increase (Decrease) Over Base Year.....		-3.81%	1.51%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 1,250	\$ 1,287	\$ 1,281
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	1,250	1,287	1,281
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	188,956	187,031	191,672
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	188,956	187,031	191,672
Unsecured - Locally Assessed.....	10,431	4,670	10,716
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 199,387</b>	<b>\$ 191,701</b>	<b>\$ 202,388</b>

1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
\$ 228,338	\$ 244,704	\$ 295,357	\$ 356,615	\$ 378,030	\$ 407,588
-	-	-	-	-	-
228,338	244,704	295,357	356,615	378,030	407,588
10,870	11,982	14,042	19,867	25,139	26,329
239,208	256,686	309,399	376,482	403,169	433,917
27,554	29,730	13,127	54,484	55,014	56,517
58	72	137	-	1,814	1,439
27,612	29,802	13,264	54,484	56,828	57,956
200,784	214,974	282,230	302,131	323,016	351,071
-	-	-	-	-	-
200,784	214,974	282,230	302,131	323,016	351,071
10,812	11,910	13,905	19,867	23,325	24,890
\$ 211,596	\$ 226,884	\$ 296,135	\$ 321,998	\$ 346,341	\$ 375,961
10,959	26,247	95,498	121,361	145,704	175,324
5.46%	13.08%	47.60%	60.49%	72.62%	87.38%
\$ 1,260	\$ 1,224	\$ 1,224	\$ 1,551	\$ 1,540	\$ 1,603
-	-	-	-	-	-
1,260	1,224	1,224	1,551	1,540	1,603
-	-	-	-	-	-
-	-	-	-	-	-
199,524	213,750	281,006	300,580	321,476	349,468
-	-	-	-	-	-
199,524	213,750	281,006	300,580	321,476	349,468
10,812	11,910	13,905	19,867	23,325	24,890
\$ 210,336	\$ 225,660	\$ 294,911	\$ 320,447	\$ 344,801	\$ 374,358

**SOUTHCREST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	Base Year 1986-87	1994-95	1995-96
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 46,450	\$ 73,398	\$ 77,638
Public Utilities - State Assessed.....	2,402	-	-
Total Secured Valuation.....	48,852	73,398	77,638
Unsecured - Locally Assessed.....	856	2,170	2,360
Total Gross Valuation.....	49,708	75,568	79,998
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	2,501	5,607	4,609
Unsecured - Locally Assessed.....	-	10	-
Total Exemptions.....	2,501	5,617	4,609
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	43,949	67,791	73,029
Public Utilities - State Assessed.....	2,402	-	-
Net Secured.....	46,351	67,791	73,029
Unsecured - Locally Assessed.....	856	2,160	2,360
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 47,207</b>	<b>\$ 69,951</b>	<b>\$ 75,389</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....		22,744	28,182
Percentage Increase (Decrease) Over Base Year.....		48.18%	59.70%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,080	\$ 3,114	\$ 3,059
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	3,080	3,114	3,059
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	40,869	64,677	69,970
Public Utilities - State Assessed.....	2,402	-	-
Net Secured.....	43,271	64,677	69,970
Unsecured - Locally Assessed.....	856	2,160	2,360
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 44,127</b>	<b>\$ 66,837</b>	<b>\$ 72,330</b>

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
\$ 83,305	\$ 87,161	\$ 46,450	\$ 91,217	\$ 96,970	\$ 102,246	\$ 110,325
-	-	343	-	-	-	-
83,305	87,161	46,793	91,217	96,970	102,246	110,325
2,418	1,019	856	5,647	5,208	5,647	4,190
85,723	88,180	47,649	96,864	102,178	107,893	114,515
4,705	3,503	2,501	3,670	4,002	4,519	6,550
-	-	-	-	18	-	91
4,705	3,503	2,501	3,670	4,020	4,519	6,641
78,600	83,658	43,949	87,547	92,968	97,727	103,775
-	-	343	-	-	-	-
78,600	83,658	44,292	87,547	92,968	97,727	103,775
2,418	1,019	856	5,647	5,190	5,647	4,099
\$ 81,018	\$ 84,677	\$ 45,148	\$ 93,194	\$ 98,158	\$ 103,374	\$ 107,874
33,811	37,470		48,046	53,010	58,226	62,726
71.62%	79.37%		106.42%	117.41%	128.97%	138.93%
\$ 3,094	\$ 3,234	\$ 3,080	\$ 3,289	\$ 3,401	\$ 3,410	\$ 3,410
-	-	-	-	-	-	-
3,094	3,234	3,080	3,289	3,401	3,410	3,410
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75,506	80,424	40,869	84,258	89,567	94,317	100,365
-	-	343	-	-	-	-
75,506	80,424	41,212	84,258	89,567	94,317	100,365
2,418	1,019	856	5,647	5,190	5,647	4,099
\$ 77,924	\$ 81,443	\$ 42,068	\$ 89,905	\$ 94,757	\$ 99,964	\$ 104,464

Continue on next page.

**SOUTHCREST REDEVELOPMENT PROJECT**  
**ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)**  
**FISCAL YEAR 1994-95 TO 2004-05 (BASE YEAR 1986-87)**  
**(UNAUDITED)**

	2002-03	2003-04	2004-05
<b><u>GROSS</u></b>			
Secured - Locally Assessed.....	\$ 120,858	\$ 132,013	\$ 158,002
Public Utilities - State Assessed.....	-	-	-
Total Secured Valuation.....	120,858	132,013	158,002
Unsecured - Locally Assessed.....	4,649	4,557	3,753
Total Gross Valuation.....	125,507	136,570	161,755
<b><u>EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)</u></b>			
Secured - Locally Assessed.....	6,569	8,772	7,738
Unsecured - Locally Assessed.....	-	19	139
Total Exemptions.....	6,569	8,791	7,877
<b><u>NET ASSESSED VALUATIONS FOR TAX RATE</u></b>			
Secured - Locally Assessed.....	114,289	123,241	150,264
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	114,289	123,241	150,264
Unsecured - Locally Assessed.....	4,649	4,538	3,614
<b>NET ASSESSED VALUATION FOR TAX RATE.....</b>	<b>\$ 118,938</b>	<b>\$ 127,779</b>	<b>\$ 153,878</b>
<b><u>INCREMENT</u></b>			
Net Assessed Valuation Increase (Decrease) Over Base Year.....	73,790	82,631	108,730
Percentage Increase (Decrease) Over Base Year.....	163.44%	183.02%	240.83%
<b><u>STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	\$ 3,559	\$ 3,581	\$ 3,573
Unsecured - Locally Assessed.....	-	-	-
Total Homeowners' Exemptions.....	3,559	3,581	3,573
<b><u>BUSINESS INVENTORY EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	-	-	-
Unsecured - Locally Assessed.....	-	-	-
Total Business Inventory Exemptions.....	-	-	-
<b><u>NET ASSESSED VALUATION AFTER ALL EXEMPTIONS</u></b>			
Secured - Locally Assessed.....	110,730	119,660	146,691
Public Utilities - State Assessed.....	-	-	-
Net Secured.....	110,730	119,660	146,691
Unsecured - Locally Assessed.....	4,649	4,538	3,614
<b>NET ASSESSED VALUATION.....</b>	<b>\$ 115,379</b>	<b>\$ 124,198</b>	<b>\$ 150,305</b>